City of Corinth, Texas

Annual Comprehensive Financial Report

For Fiscal Year Ended September 30, 2025

CORINTH
TEXAS

CITY OF CORINTH, TX

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended September 30, 2025

Scott Campbell
City Manager

Department of
Finance & Administrative Services

Lee Ann Bunselmeyer
Director of Finance & Strategic Services

Dawn Taylor, CPA
Assistant Finance Director

Kenneth Stice, CPA
Controller

Linda Thoms
Accounting Manager

CITY OF CORINTH, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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INTRODUCTORY SECTION

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3300 Corinth Parkway · Corinth, TX · 940.498.3200

March 9, 2026

Honorable Mayor,
Members of the City Council
and Citizens
City of Corinth, Texas

The City Manager and the Finance department of the City of Corinth are pleased to submit the Annual Comprehensive Financial Report of the City of Corinth for the fiscal year ended September 30, 2025. The purpose of this report is to provide the council, staff, citizens of Corinth, and other interested parties with detailed information reflecting the City's financial condition.

This report satisfies §103.001 of the Texas Local Government Code and was conducted in accordance with Section 9.12 of the City Charter. The Annual Comprehensive Financial Report (ACFR) consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The ACFR is organized into three sections: *Introductory, Financial* and *Statistical*. The *Introductory* section includes this transmittal letter, the City's organization chart, and a list of principal officials. The *Financial* section includes the auditors' report, Management's Discussion and Analysis, basic financial statements, required supplementary information, combining and individual fund financial statements, and other supplemental information. The *Statistical* section includes selected financial and demographic information, generally presented on a multi-year basis. The information is presented in table format to assist the reader with a comparative analysis.

Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Corinth's MD&A can be found immediately following the report of the independent auditors.

INDEPENDENT AUDIT

The City of Corinth's financial statements have been audited by Eide Bailly, LLP, a firm of licensed certified public accountants. The goal of the independent auditor is to provide reasonable assurance that the financial statements of the City of Corinth, for the fiscal year ended September 30, 2025, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Corinth's financial statements for the fiscal year ended September 30, 2025, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component in the financial section of this annual report.

PROFILE OF THE GOVERNMENT

The City of Corinth, which was incorporated on September 19, 1960, is in the north central portion of Texas. This area of the state has proven to be one of the top growth areas in Texas and the United States. The City currently occupies a land area of 7.8 square miles. The City is empowered to levy a property tax on real property and certain personal property located within its boundaries. Corinth has operated under the council-manager form of government since May 6, 1999. This has become a popular form of government throughout the State of Texas. Policy-making and legislative authority are vested in the City Council consisting of the mayor and five other members. The City Council's primary responsibilities include passing ordinances, adopting the budget, appointing boards and committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the government, and for appointing the heads of the various City departments. The City Council is elected on a non-partisan, at-large basis. The Mayor and City Council members serve staggered three-year terms.

The City of Corinth provides a full range of municipal services including general government, public safety (police, animal control, fire, and emergency medical services), streets, parks and recreation, planning and zoning, code enforcement, and water/wastewater and drainage utilities. Water/wastewater and drainage services are provided through the public works department, which functions, in essence, as a department of the City and, therefore, has been included as an integral part of the City's financial statements.

Moving forward, the City seeks to reduce its dependence on property tax revenues and increase the amount of sales and use tax revenues in a judicious manner by encouraging lifestyle-focused developments that will create meaningful employment opportunities in live-work-play settings, offer extraordinary opportunities for commerce, and result in sustainable revenues.

As Corinth continues to pioneer a new path and secure its vision for the future, its core values will remain rooted in its family-oriented traditions, and its commitment will remain anchored by achieving the highest quality of life possible for all its citizens.

LOCAL ECONOMY

With impressive demographics and a prime location along one of the busiest routes in North Texas, Corinth is a flourishing community known for its outstanding quality of life and small-town charm. The city offers easy access to Dallas, Dallas-Fort Worth International Airport, and other Metroplex destinations. Incorporated in 1960, Corinth is celebrated for its friendly residents, natural beauty, and advantageous position along Interstate Highway 35E (I-35E). With an affluent and growing population, Corinth is committed to ensuring a sustainable future for its residents, businesses, and visitors while upholding its family-centered values.

In May 2024, the City opened the Commons at Agora, a multi-purpose public park and iconic community gathering place that, among other developments under construction and planned, will be a catalyst for development to create a vibrant Downtown Corinth. Village Square construction has begun and will bring 587 multi-family homes to Downtown in two phases, adding to the 164 homes in Walton Ridge near completion.

These developments, along with the 300 multi-family homes and 30,000 square feet of retail in the City Center development and 121 townhomes in Greenway Trails will bring 24/7 activity to Downtown, paving the way for future retail and other development. City and EDC initiatives to purchase property Downtown, create a mixed-use zoning code, and rezone City, EDC, and other private properties to allow for mixed-use are forging a path to the creation of a vibrant, walkable Downtown. The City completed a Downtown plan with a vision and recommendations that will forge a path for an economically viable community gathering place. In total, 1,809 new single-family homes and 2,219 multi-family homes are under construction or soon to begin construction that will provide a mix of housing choices for families and individuals moving to Corinth as well as those who desire to stay in the community but have changing needs or desires for housing. Existing residents and those choosing to make Corinth their home will enjoy 65,000 square feet of new planned retail in addition to the 30,000 square feet coming in the City Center development. Additional retail is being proposed in other developments such as Millennium and in the downtown area. 212,975 square feet of industrial and flex space is underway on the north end of Downtown.

Corinth continues to rely heavily on property tax to support its continuing operations, with the City being approximately 85% residential. Certified property values increased 3.48% for the 2025 tax year over the 2024 certified value, the lowest year-over-year increase in many years.

Sales tax revenue is the second largest tax revenue source for the City's General Fund. All sales tax collections are reported by the Texas Comptroller of Public Accounts. The City is continuing to work to increase its sales tax base with the Corinth Economic Development Corporation, which receives the proceeds from a ½ cent sales tax enacted in 2003. Corinth is currently focused on encouraging commercial development and providing the infrastructure required to support it. Of the 8.25% tax, the State retains 6.25%. It distributes 1% to the City of Corinth, .25% to the Crime Control & Prevention District, .50% to the Economic Development Corporation, and .25% to the Fire Control, Prevention and Emergency Services District.

MAJOR INITIATIVES

The city is committed to several major initiatives designed to enhance the quality of life for residents and support long-term growth. These initiatives reflect strategic investments in infrastructure, community development, and sustainability, ensuring that the city remains a vibrant and resilient place to live, work, and visit. By prioritizing innovation, collaboration, and fiscal responsibility, the municipality aims to address current needs while laying a strong foundation for future opportunities. Through these efforts, the city continues to foster an environment where businesses thrive, neighborhoods flourish, and community engagement is at the forefront.

Senior Exemptions—In December 2023, the city received a petition requesting an election to authorize the adoption of a ceiling or limitation on the ad valorem tax levy for a person sixty–five years of age or older. During the May election, the proposition passed by majority vote. The authorized senior tax freeze sets a cap, or ceiling, on the amount of property taxes eligible residents will pay annually to the City of Corinth. Currently the tax rolls reflect 1,793 property owners eligible for the senior exemption. The ceiling base was set by the lower ad valorem value for tax year 2025. Moving forward it will be set in the year that the property owner turns 65. In future years, the property taxes on a home may go below, but not above, the ceiling amount. There was no impact to the FYE2025 budget; however, projections reflect $81.4 million that will be removed from the tax rolls in FYE2026. The projected year one impact in FYE2026 of the exemption and freeze is $422,083.

Water/Wastewater Fixed Contracts—The Utility Fund is financed and operated in a manner like a private business enterprise, where the costs of providing the services to the public are financed primarily through user fees to Corinth residents. The rates charged for these services are designed to provide these services at cost. The largest cost incurred by the City to provide water and wastewater services are fees charged by Upper Trinity Regional Water District for water supply and wastewater disposal/treatment. Operating expenses are dominated by contractual payments of $8.4 million or 44% of the total utility fund expenditures for 1) the purchase of water for resale and City use from the Upper Trinity Regional Water District; and 2) wastewater treatment from Upper Trinity Regional Water District and the City of Denton. It is anticipated that the utility system will expand by 1,000 connections each year for the next five years.

Water/Wastewater Rates—In April 2023 the city engaged Raftelis Financial Consultants, Inc. to perform an in-depth cost of service and rate design analysis. The study's intent was to achieve a water and wastewater rate structure that assured equitable and adequate revenues for operations, debt service retirement, asset management, capital improvements, and bond covenant requirements. The focus was to ensure that the utility system would operate on a self-sustaining basis while considering the economic impact on the City's customers. The study examined requirements for a three-year period and determined that rates were not sufficient to meet revenue requirements for the three-year study period. In FYE2024, the city adopted the first year of the financial plan and corresponding rate structure which included a 5% increase for water and a 3% increase for wastewater. In FYE2025, the city adopted the second-year recommendations to include a 3% increase for both water and wastewater. The FYE2026 budget included the final-year recommendations to include an additional 3% increase for both water and wastewater.

Critical Infrastructure—Many cities are facing challenges with aging street, water and wastewater infrastructure costs especially as construction and maintenance costs continue to rise. The City maintains and operates infrastructure and facilities with a net asset value of $45,446,475 for streets, $24,881,335 for water and wastewater, $5,494,197 for drainage, and $13,214,413 for park facilities. The City changed its focus on rehabilitation versus replacement to bring deteriorated assets back to their original condition to extend their useful life. The Capital Improvement Program identifies over $66 million in projects from 2026-2030. A long-term concern will be providing enough funding each year to maintain the City's existing and future infrastructure.

Development—The City continues to prioritize thoughtful and balanced development to enhance quality of life while supporting long-term financial sustainability. As growth continues, the City recognizes the importance of proactively addressing associated impacts such as traffic demand, infrastructure capacity, and environmental considerations. To support responsible planning and resource allocation, the City is undertaking several comprehensive studies focused on infrastructure capacity, traffic patterns, environmental impacts, and updates to the Unified Development Code. These initiatives provide data-driven analysis that assists leadership in forecasting future needs, prioritizing capital investments, and mitigating potential challenges associated with growth. Through proactive planning and strategic investment, the City seeks to promote sustainable economic development while preserving community character and maintaining high service levels for residents.

LONG-TERM FINANCIAL PLAN

The budget was developed in context of long-term financial plans. The plans anticipate funding needs and available revenues and forecast methods for matching future revenue and expenses. Plans have been developed for all the City's major operating funds. Each plan presents the fund over seven fiscal years: two previous years, the adopted "base year" budget and four projected years. There are several benefits to these plans. First, the plans give future councils a valuable perspective when considering budgets within each plan's five-year horizon. Second, the plans impart a measure of discipline on staff. The General Fund long-term plan assumes the City's property tax, sales tax, and all other revenues during the planning horizon will remain constant with conservative growth from 0% - 3%.

The City of Corinth continues its focus on maintaining or increasing reserve balances for emergencies to provide stability and flexibility for the organization. The reserve requirement was established at a level of 20% of budgeted expenditures for the General Fund and 25% of budgeted expenditures for both the Water/Wastewater Fund and the Storm Drainage Fund.

In August 2024, S&P Global Ratings raised its underlying rating (SPUR) to "AA+" from "AA" on the City's existing general obligation debt and certificates of obligation, and Moody's affirmed its "Aa2" rating. The rating agencies attributed their opinions to various factors surrounding the city's financial stability, growth and financial policies and practices.

BUDGETARY CONTROLS

The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by the City Manager and adopted by the City Council in accordance with policies and procedures established by State law, City Charter, and Council Ordinances. All departments of the City of Corinth are required to submit requests for appropriation to the City Manager based on a budget calendar issued annually. The City Manager uses these requests as the starting point for developing the proposed budget. The proposed budget is then presented to the City Council for review prior to approval and adoption. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, department (e.g., Public Works) and division (e.g., Parks & Recreation). Department Directors may make transfers of appropriations between divisions within a department. All transfers of appropriations between departments require the approval of the City Manager. Any changes to appropriations or transfers between funds require City Council approval. Budgetary comparison schedules are provided in this report in the required supplementary information subsection for the General Fund, and in the supplementary information subsection for other funds with legally adopted annual budgets.

CASH MANAGEMENT POLICIES AND PRACTICES

Funds of the City are invested in accordance with all applicable Texas statutes, the City's Investment Policy, and any other approved, written administrative procedures. The five objectives of the City's investment activities, in order of priority, are as follows: Safety – Preservation and Safety of Principal, Liquidity, Diversification, Market Rate-of-Return (Yield), and Public Trust.

The Investment Policy is updated, reviewed, and approved annually. The purpose of the Investment Policy is to set forth specific investment strategy guidelines for the City, in order to safeguard assets with a minimal amount of risk, while maintaining the necessary level of liquidity and maximizing the yield on investments. Accordingly, all the City's deposits are either insured by the Federal Deposit Insurance Corporation (FDIC) or are collateralized by governmental securities. The maturities of the investments range from 30 days to 36 months, with an average maturity of approximately three months. On September 30, 2025, the annualized yield on investments was 4.29%, compared to 5.148% for the same period in 2024. Cash and investments for the City at September 30, 2025, were $57.4 million.

AWARDS AND ACKNOWLEDGEMENTS

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the City of Corinth for its annual comprehensive financial report for the fiscal year ended September 30, 2024. This was the sixteenth consecutive year that the City achieved this prestigious award. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, GFOA awarded a Distinguished Budget Presentation Award to the City for its annual budget document dated October 1, 2024. To qualify for the Distinguished Budget Presentation Award, the City's budget document must be proficient in several categories, including serving as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance department. We would like to express our appreciation for the assistance provided

by our auditors, Eide Bailly, LLP. Credit must also be given to the Mayor and City Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Corinth and its finances.

Respectfully submitted,

Scott Campbell
City Manager

Lee Ann Bunselmeyer
Director of Finance, Communication & Strategic Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Corinth
Texas

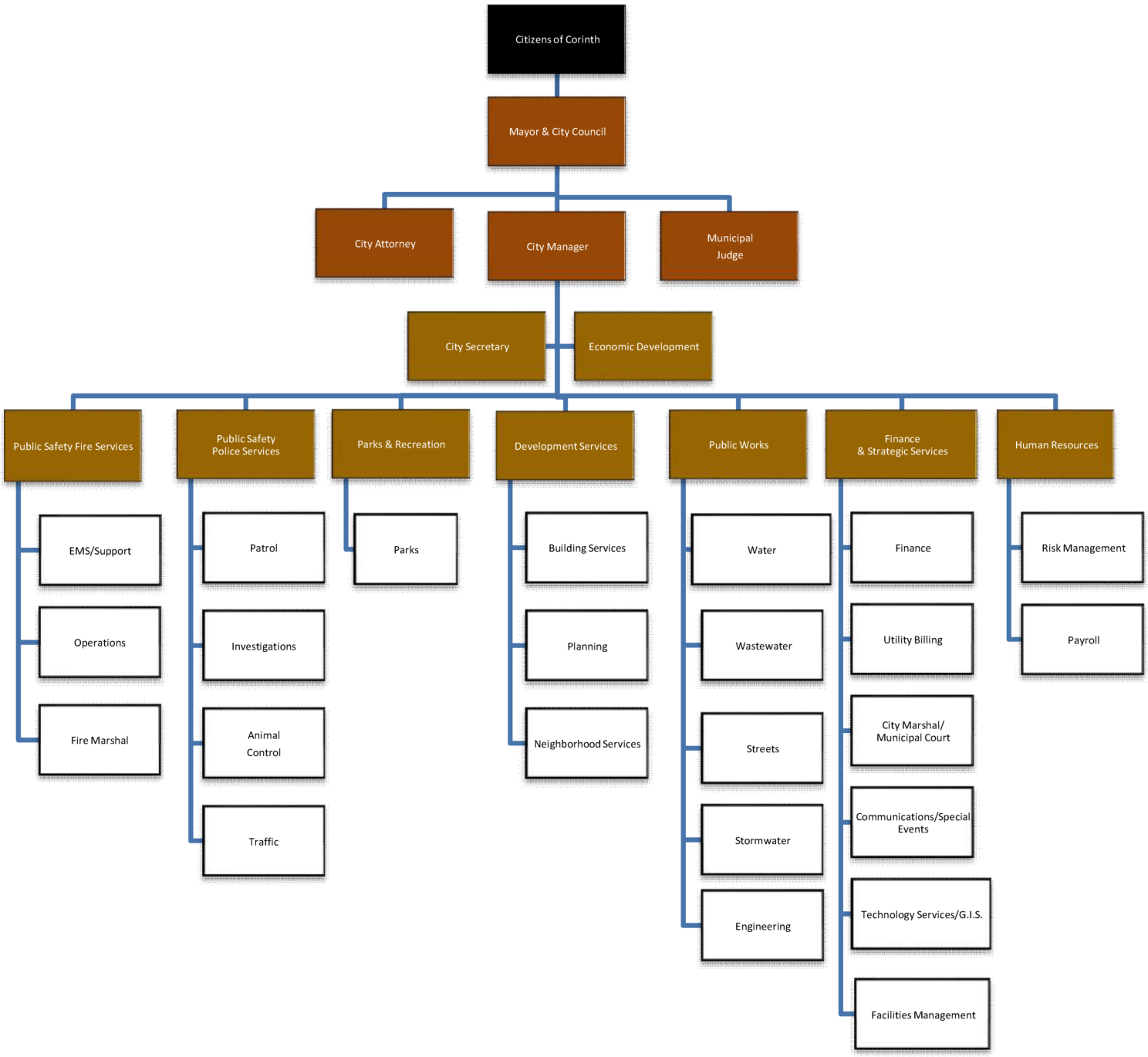
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

ORGANIZATIONAL CHART



City of Corinth, Texas
Elected and Appointed Officials

Elected Officials:

Bill Heidemann
Mayor

Sam Burke
Mayor Pro Tem, Place I

Scott Garber
Council Place II

Lindsey Rayl
Council Place III

Tina Henderson
Council Place IV

Kelly Pickens
Council Place V

Appointed Officials:

Scott Campbell, City Manager

Lana Wylie, City Secretary

Lee Ann Bunselmeyer, Director of Finance & Strategic Services

Melissa Dailey, Director of Community & Economic Development

Guadalupe Ruiz, Director of Human Resources

Chad Thiessen, Fire Chief

Wendell Mitchell, Police Chief

Glenn Barker, Director of Public Works

Caroline Seward, Director of Parks & Recreation

CORINTH
TEXAS

FINANCIAL SECTION

Independent Auditor's Report

To the Mayor and
Members of the City Council
City of Corinth, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas (the City) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Notes 1 and 11 to the financial statements, the City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* for the year ended September 30, 2025. Accordingly, a restatement has been made to the governmental activities net position as of October 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule – General Fund, Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System, Schedule of Employer Contributions – Texas Municipal Retirement System, Schedule of Changes in Total OPEB Liability and Related Ratios – Supplemental Death Benefits Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Abilene, Texas
March 9, 2026

As management of the City of Corinth ("City"), we offer readers this narrative overview and analysis of the financial activities and financial performance of the City for the fiscal year ended September 30, 2025 ("current fiscal year"). The Management's Discussion and Analysis is designed to assist the reader in focusing on significant financial issues, to provide an overview of the City's financial activity, to identify changes in the City's financial position, and to identify any material deviations from the financial plan. We encourage readers to consider the information presented here in conjunction with the accompanying Letter of Transmittal and Basic Financial Statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $102,966,988.

- The City's governmental activities net position increased from the beginning net position as restated by $4,119,727. The business-type activities net position decreased from the beginning net position as restated by $3,262,240.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $33,854,907, a decrease of $431,928 from the combined beginning fund balances. Of the combined ending fund balances, $10,734,400 or 32% is available for spending within the City's guidelines *(unassigned fund balance).*

- At the end of the current fiscal year, unassigned fund balance for the City's General Fund was $10,734,400 or 39% of total General Fund expenditures and outlays for the current fiscal year.

- The City's governmental activities long-term liabilities decreased to $54,534,274, a decrease of $4,230,404 from the prior year's ending balance as restated of $58,764,678. The decrease is due primarily to the payment of principal on existing debt. The City's business-type activities long-term liabilities decreased to $13,013,441, a decrease of $1,080,026 from the prior year's ending balance as restated of $14,093,467. The decrease is due primarily to the payment of principal on existing debt.

Overview of the Financial Statements

Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner like a private-sector business.

The *statement of net position* shows the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position is calculated by subtracting the total liabilities and deferred inflows of resources from the total assets and deferred outflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure (e.g., roads, drainage improvements, storm and sewer lines, etc.), to assess the overall health or financial condition of the City.

The *statement of activities* shows how the government's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both the statement of net position and the statement of activities are prepared using the accrual basis of accounting as opposed to the modified accrual basis used in governmental funds.

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities).* The governmental activities of the City include public safety (police, fire, and emergency medical services), community services, public works, planning and community development, city administration, finance and administrative services, and debt service. The business-type activities are the water and wastewater utility, which includes contracted garbage collection services, and the storm drainage utility.

The government-wide financial statements include not only the City itself (known as the *primary government),* but also legally separate units—Corinth Economic Development Corporation and Corinth Economic Development Foundation—as component units for which the City is financially accountable. Financial information for the component units is reported separately from the financial information for the primary government itself.

The government-wide financial statements can be found in the Basic Financial Statements section of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus *on near-term inflows and outflows of spendable resources* as well as *on balances of spendable resources available* at the end of the fiscal year. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City reports thirty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and 2023 CO Fund, which are major funds. Data from the non-major governmental funds are combined into a single aggregated presentation. Fund data for the non-major governmental funds are provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found in the Basic Financial Statements section of this report.

Proprietary funds. The City maintains one type of proprietary fund known as an enterprise fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses two enterprise funds to account for its water and wastewater utility and for its storm drainage utility.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Wastewater Fund and the Storm Drainage Fund, both of which are major funds of the City. The proprietary fund financial statements can be found in the Basic Financial Statements section of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the Basic Financial Statements section of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the General Fund revenue and expenditures budget and actual information as well as the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees and retirees.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position, which is the amount by which total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources, may serve over time as a useful indicator of a government's financial position. The following Table I, Net Position at Fiscal Year-End, summarizes the City's net position as of the close of the current and prior fiscal years.

TABLE I
Net Position at Fiscal Year-End

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	$ 41,184,458	$ 39,965,186	$ 26,388,697	$ 25,921,697	$ 67,573,155	$ 65,886,883
Capital assets	85,633,916	86,403,129	32,546,397	35,206,513	118,180,313	121,609,642
Total assets	126,818,374	126,368,315	58,935,094	61,128,210	185,753,468	187,496,525
Deferred Outflows of Resources						
Deferred loss from refunding	-	-	6,923	13,846	6,923	13,846
Deferred outflows - pension	2,892,165	3,385,160	408,889	472,269	3,301,054	3,857,429
Deferred outflows - OPEB	62,836	91,928	7,600	14,011	70,436	105,939
Total deferred outflows of resources	2,955,001	3,477,088	423,412	500,126	3,378,413	3,977,214
Liabilities						
Current Liabilities	3,814,612	4,422,583	5,378,346	3,293,610	9,192,958	7,716,193
Noncurrent liabilities -						
Due within one year	6,041,301	5,943,403	1,459,637	1,390,392	7,500,938	7,333,795
Noncurrent liabilities -						
Due in more than one year	55,228,643	60,082,350	12,444,065	13,679,267	67,672,708	73,761,617
Total liabilities	65,084,556	70,448,336	19,282,048	18,363,269	84,366,604	88,811,605
Deferred inflows of resources						
Deferred gain on refunding	166	335	-	-	166	335
Deferred inflows - lease related	861,301	139,904	-	-	861,301	139,904
Deferred inflows - pension	690,629	71,338	89,403	9,787	780,032	81,125
Deferred inflows - OPEB	139,641	165,148	17,149	23,134	156,790	188,282
Total deferred inflows of resources	1,691,737	376,725	106,552	32,921	1,798,289	409,646
Net position						
Net investment in capital assets	45,454,827	44,013,068	26,388,060	30,243,771	71,842,887	74,256,839
Restricted	6,782,755	6,079,418	3,646,975	3,343,113	10,429,730	9,422,531
Unrestricted	10,759,500	8,927,856	9,934,871	9,645,262	20,694,371	18,573,118
Total net position	$ 62,997,082	$ 59,020,342	$ 39,969,906	$ 43,232,146	$ 102,966,988	$ 102,252,488

As shown in Table I, Net Position at Fiscal Year-End, the City's combined net position was $102,966,988 at the close of the current fiscal year. Analyzing the net position of the governmental and business-type activities separately, the governmental activities net position was $62,997,082 and the business-type activities net position was $39,969,906 at the close of the current fiscal year.

By far, the largest portion of the City's combined net position is its net investment in capital assets of $71,842,887 or 70%. This amount reflects the City's investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the City's combined net position, $10,429,730 or 10%, represents resources that are subject to external restrictions on how they may be used. The unrestricted portion of the combined net position, $20,694,371 or 20%, may be used to meet the City's ongoing obligations to citizens and creditors. At the close of the current fiscal year, the City had $57,441,199 available in cash and investments that could be used to meet the City's ongoing obligations to citizens and creditors.

The following Table II, Changes in Net Position for the Fiscal Year, summarizes the changes to the City's net position for the current and prior fiscal years.

TABLE II

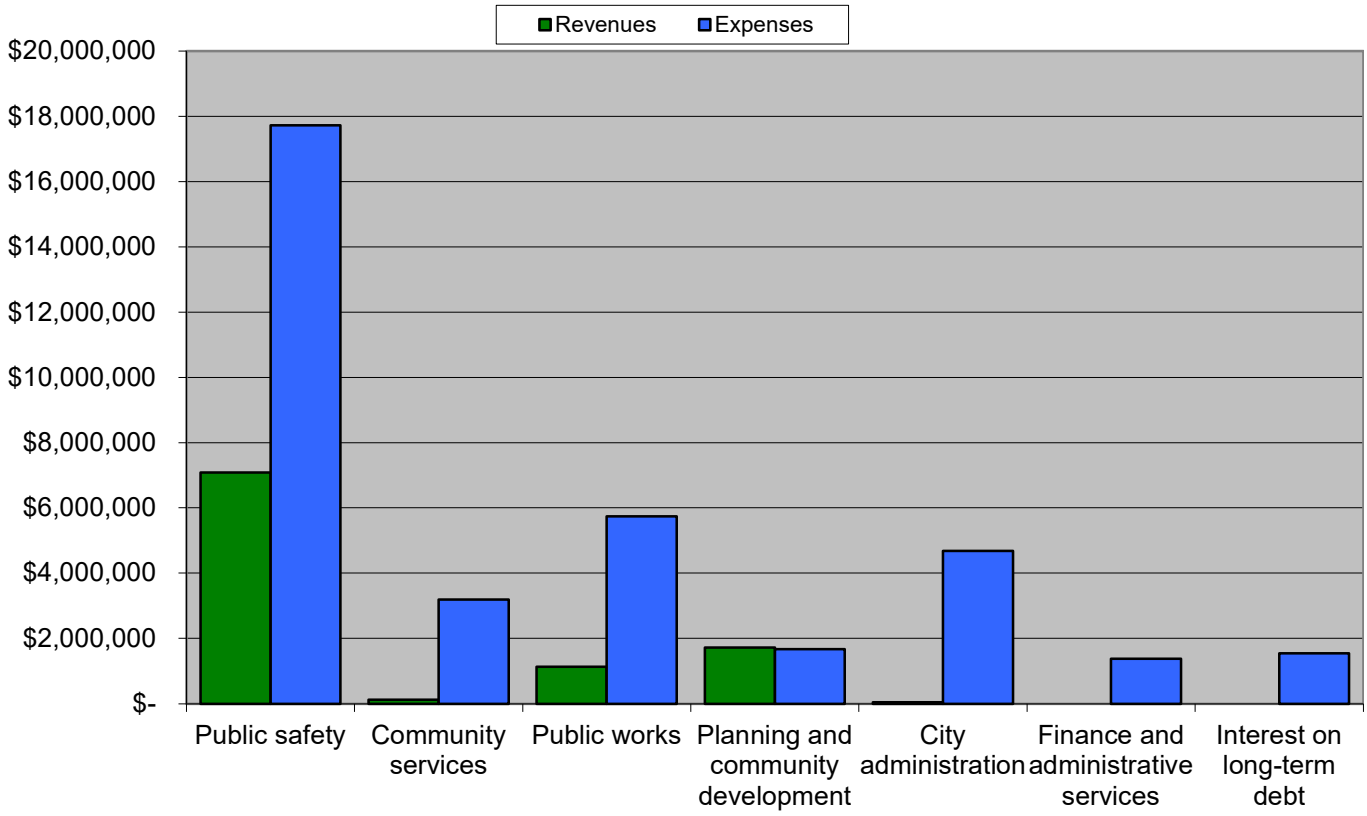
Changes in Net Position for the Fiscal Year

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues						
Charges for services	$ 10,098,223	$ 10,193,421	$ 18,520,029	$ 17,332,657	$ 28,618,252	$ 27,526,078
Operating grants and contributions	592,955	642,661	-	-	592,955	642,661
Capital grants and contributions	1,335,227	2,114,118	930,584	3,466,211	2,265,811	5,580,329
General revenues	-		-	-		
Property taxes	18,820,084	17,454,780	-	-	18,820,084	17,454,780
Sales taxes	4,078,154	3,724,346	-	-	4,078,154	3,724,346
Franchise taxes	1,261,367	1,213,743	-	-	1,261,367	1,213,743
Hotel taxes	129,461	119,586	-	-	129,461	119,586
Vehicle taxes	158,590	165,681	-	-	158,590	165,681
Miscellaneous	969,535	1,507,312	684	-	970,219	1,507,312
Investment interest	1,805,674	2,138,192	997,717	1,079,140	2,803,391	3,217,332
Gain on sale of capital assets	-	-	-	10,753	-	10,753
Total revenues	39,249,270	39,273,840	20,449,014	21,888,761	59,698,284	61,162,601
Expenses:						
Public safety	17,721,483	13,915,501	-	-	17,721,483	13,915,501
Community services	3,188,752	3,331,212	-	-	3,188,752	3,331,212
Public works	5,737,449	6,009,414	-	-	5,737,449	6,009,414
Planning and community development	1,667,151	1,411,969	-	-	1,667,151	1,411,969
City administration	4,677,145	4,192,822	-	-	4,677,145	4,192,822
Finance and administrative services	1,370,932	1,102,641	-	-	1,370,932	1,102,641
Interest on long-term debt	1,539,083	1,535,440	-	-	1,539,083	1,535,440
Water and wastewater	-	-	21,606,046	16,839,383	21,606,046	16,839,383
Storm drainage	-	-	1,332,756	931,097	1,332,756	931,097
Total expenses	35,901,995	31,498,999	22,938,802	17,770,480	58,840,797	49,269,479
Increase (decrease) in net position before transfers, contributions and special items	3,347,275	7,774,841	(2,489,788)	4,118,281	857,487	11,893,122
Net transfers	772,452	280,335	(772,452)	(280,335)	-	-
Increase (decrease) in net position	4,119,727	8,055,176	(3,262,240)	3,837,946	857,487	11,893,122
Net position - beginning	59,020,342	50,965,166	43,232,146	39,394,200	102,252,488	90,359,366
Change in Accounting Principle	(142,987)	-	-	-	(142,987)	-
Net position - ending	$ 62,997,082	$ 59,020,342	$ 39,969,906	$ 43,232,146	$ 102,966,988	$ 102,252,488

Governmental activities. As shown in Table II, Changes in Net Position for the Fiscal Year, governmental activities increased the City's net position by $4,119,727, which surpassed the total increase in combined net position for the current fiscal year. Total governmental activities revenues and transfers decreased $24,570 or less than one percent from the prior fiscal year due primarily to decreased grants and contributions. Grants decreased because the City spent most of its American Rescue Plan Act (ARPA) funding prior to FY2025. However, property tax revenue, sales tax revenue, franchise tax revenue, and hotel tax revenue all increased. Total governmental activities expenses increased $4,402,996 or 14% from the prior fiscal year due primarily to increased salaries expenses and health insurance expense costs for public safety.

The following Figure 1, Governmental Activities Program Revenues versus Expenses for the Current Fiscal Year, provides a graphic representation of the City's governmental activities expenses and any directly related revenues by source.

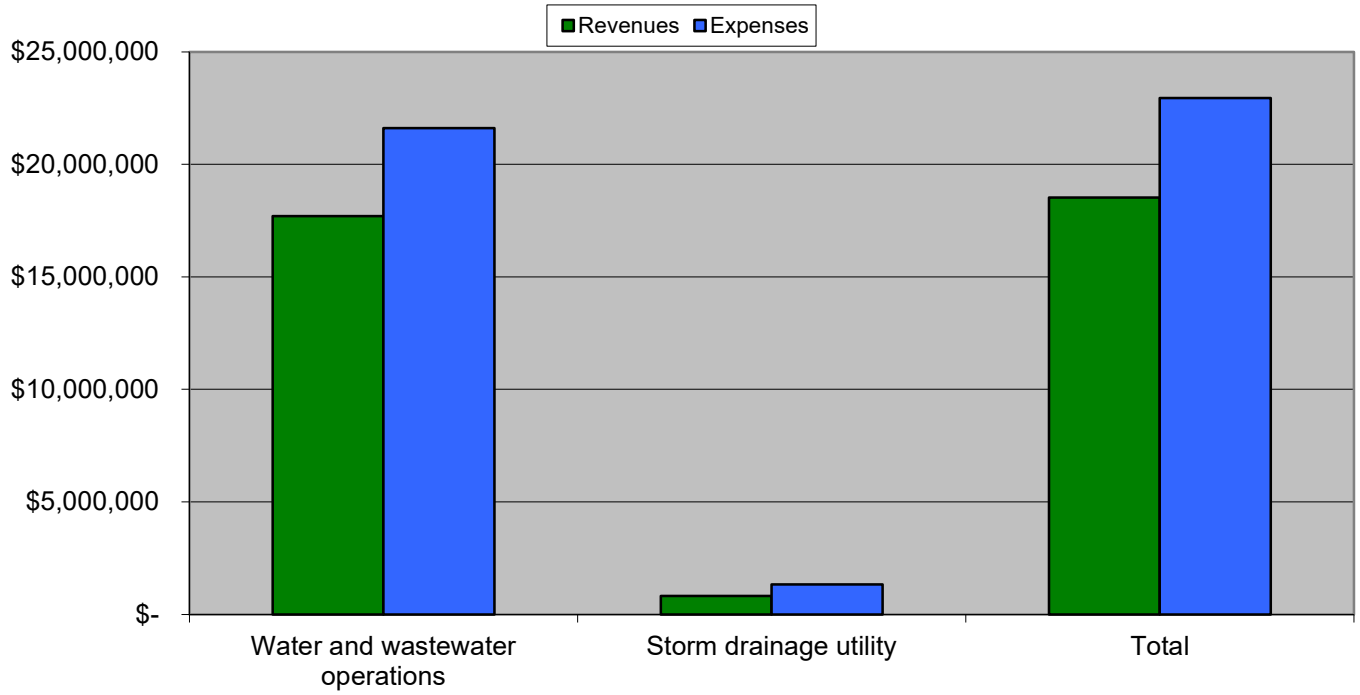
Figure 1
Governmental Activities Program Revenues versus Expenses
for the Current Fiscal Year



Business-type activities. As shown in Table II, Changes in Net Position for the Fiscal Year, business-type activities decreased the City's net position by $3,262,240. Total business-type activities revenues decreased $1,439,747 or 6.6% from the prior fiscal year due primarily to decreased capital grants and contributions. The decrease in capital grants and contributions is due to the City spending most of its ARPA funding prior to FY2025. Total business-type activities expenses and transfers increased $5,168,322 or 29% from the prior fiscal year due primarily to increased operating costs of water, wastewater treatment, operations, maintenance, and storm drainage. Additionally, the City made payments for one-time projects necessary for addressing utility system reliance and critical infrastructure upgrades.

The following Figure 2, Business-Type Activities Program Revenues versus Expenses, provides a graphic representation of the City's business-type activities expenses and any directly related revenues by source.

Figure 2
Business-Type Activities Program Revenues versus Expenses for the Current Fiscal Year



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $33,854,907, a decrease of $431,928 from the prior fiscal year-end. The decrease in combined ending fund balances is due to the following: an increase of $210,104 in the General Fund, a decrease of $255,985 in the Debt Service Fund, an increase of $306,811 in the 2023 CO fund, and a decrease of $692,858 in Other Governmental Funds.

Of the combined total governmental fund balances of $33,854,907, $10,734,400 constitutes the General Fund *unassigned* fund balance, which is available for spending at the government's discretion. The fund balance that is designated as *restricted* is not available for new spending. It comprises $872,718 restricted for the debt service fund, $7,143,568 restricted for the 2023 CO fund, $6,061,426 for special revenue funds, and $5,800,278 for capital project funds. The fund balance that is designated as *committed* represents those amounts committed to liquidate contracts or encumbrances. Currently, there is a committed fund balance of $287,702 in special revenue funds and $2,890,304 in capital projects funds. The fund balance amount designated as *non-spendable* is for prepaid items of $49,533 and inventories of $14,978.

General Fund. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the *unassigned* fund balance of the General Fund was $10,734,400, while total fund balance was $10,785,411. The fund balance increased by $210,104 during the current fiscal year due primarily to increased transfers in and property tax revenue. Transfers In totaled $2,294,906 in FY2025, an increase of $1,125,944 from FY2024. This increase was due primarily to closing the General Fund Asset Management Reserve Fund, closing the Broadband Utility Fund, and transfer of an insurance payout for a new fire engine truck from the Risk and Insurance Claims Fund. Property tax revenue increased by $776,910 due to new construction and increased existing property values. This increase was partially offset by an increase in public safety expenditures of $1,069,960, an increase in community services expenditures of $608,953, and an increase in capital outlay of $219,195. Public safety and community services expenditures increased due to increasing salary and health insurance expenses. Capital outlay increased due primarily to building renovations and new fire equipment. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and outlays for the fiscal year. Unassigned fund balance represents 39.4% of total General Fund expenditures and transfers out, while total fund balance represents 39.6% of that same amount.

Debt Service Fund. As part of the budgetary process, the government enacts a dedicated property tax for debt service each fiscal year. At the end of the current fiscal year, the Debt Service Fund had a total fund balance of $872,718, all of which was restricted for the payment of debt service. The fund balance decreased during the current fiscal year by $255,985 due primarily to transfers out. Transfers Out were related to the closure of the General Fund Asset Management Reserve Fund.

2023 CO Fund. This fund tracks revenues and expenditures related to the 2023 Certificates of Obligation debt issuance. Funds will be used for capital projects, such as streets, infrastructure construction, and improvements. At the end of the current fiscal year, the 2023 CO Fund had a total fund balance of $7,143,568 all of which was restricted for major capital projects. The fund balance increased during the current fiscal year by $306,811 due to investment income from TexSTAR, a local government investment pool (LGIP). Investment income decreased by $35,870 from $342,681 in FY2024 primarily due to decreasing interest rates.

Other Governmental Funds. The Other Governmental Funds comprise nonmajor special revenue funds and nonmajor capital project funds, each of which is used to account for revenues and expenditures related to specific purposes. At the end of the current fiscal year, the Other Governmental Funds had a total fund balance of $15,053,210. The total fund balance decreased $692,858 for the current fiscal year from beginning fund balance due primarily to increased spending on capital projects. The nonmajor special revenue funds include the following: Crime Control and Prevention Fund, Hotel-Motel Tax Fund, Keep Corinth Beautiful Fund, County Child Safety Fund, Special Revenue Fund, Municipal Court Security Fund, Municipal Court Technology Fund, Police Confiscation Fund – State, Parks Development Fund, Community Park Improvement Fund, Tree Mitigation Fund, Roadway Impact Fee Fund, Fire District Sales Tax Fund, Broadband Utility Fund, Reinvestment Zone #2, Short-term Rental Vehicle Tax Fund, Street Rehabilitation Fund, Reinvestment Zone #3, and COVID CARES Act Fund. The nonmajor capital projects funds include the following: Governmental Capital Projects Fund, Vehicle Replacement Fund, LCFD Vehicle & Equipment Replacement Fund, Technology Equipment Replacement Fund, 2016 CO Fund, 2019 CO Fund, 2020 CO Fund, 2021A CO Fund, and LCFD Public Property Fund.

- The Corinth Crime Control and Prevention District Fund accounts for a special sales tax of $.0025 levied for crime control and prevention within the City. Sales tax collections were $51,718 more than budgeted, interest earnings were $12,374 less than budgeted, and expenditures were $282,916 more than budgeted. However, the Crime Control and Prevention District Fund also gained $305,259 from the

issuance of leases and SBITAs. There was $50,000 in transfers out. These combined decreased actual fund balance by $34,230.

- The Fire District Sales Tax fund accounts for the collection of a special sales tax of $.0025. Sales tax collections were more than budgeted by $47,783, interest earnings were less than budgeted by $9,154, expenditures were less than budgeted by $42,545. These combined increased fund balance by $83,277.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City maintains two enterprise funds: the Water and Wastewater Fund and the Storm Drainage Fund.

For the current year, Water and Wastewater Fund assets of $51,979,541 and deferred outflows of resources of $372,455 exceeded liabilities of $19,110,695 and deferred inflows of resources of $96,791, resulting in total net position of $33,144,510. Total net position decreased $2,768,097 for the current fiscal year from beginning net position but unrestricted net position increased to $8,675,393 from $8,292,994 for the prior fiscal year. The Water and Wastewater Fund reported a current fiscal year operating loss of ($2,805,261). The current fiscal year net non-operating revenues and expenses were ($158,966), which included $941,357 in interest income, $684 in miscellaneous income, $728,171 in loss on sale of aging and obsolete capital assets at auction, and $372,836 in debt service interest expense.

Storm Drainage Fund assets of $6,955,553 and deferred outflows of $50,957 exceeded liabilities of $171,353 and deferred inflows of resources of $9,761, resulting in total net position of $6,825,396. Total net position decreased $494,143 for the current fiscal year from beginning net position and unrestricted net position decreased to $1,259,478 from $1,352,268 for the prior fiscal year. The storm drainage utility reported current fiscal year operating loss of ($508,517). The current fiscal year net non-operating revenues and expenses were $52,372, which included $56,360 in interest income and $3,988 in interest expense.

Additional factors regarding the finances of the Proprietary Funds are addressed in the earlier discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

For the current fiscal year, General Fund actual expenditures and outlays were $27,220,512 compared to the final budget of $27,159,051. The negative $61,461 expenditure and outlay variance was due to increased debt principal payments of $316,467, increased debt interest payments of $69,577, and increased payments of $349,403 in capital outlay, offset by decreased costs of $125,978 in public safety, $26,573 in community services, $16,476 in public works, $38,488 in planning and community development, $403,243 in city administration, and $63,228 in finance and administrative services. Actual revenue (including transfers) was $27,430,616 compared to the final budget of $25,946,506. The $1,484,410 positive revenue (including transfers) variance was due to a $198,966 positive sales tax variance, a $173,345 positive police fees and permits variance, a $256,053 positive fire services variance, a $14,392 positive grant revenue variance, a positive $105,896 interest income variance, a positive $66,727 miscellaneous income variance, unbudgeted lease proceeds of $171,677, unbudgeted subscription IT proceeds of $125,319, and a positive transfer-in variance of 641,702, offset by a negative $148,629 property tax variance, a negative $2,306 franchise tax variance, a negative $51,985 utility fees variance, a negative $42,201 traffic fine variance, a negative $20,280 development fee variance, and a negative $4,566 parks and recreation fee variance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. As shown in the following Table III, Capital Assets at Fiscal Year-End, at the end of the current fiscal year, the City's investment in capital assets for its governmental and business-type activities was $118,180,313 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, machinery and equipment, park facilities, infrastructure, right-to-use lease assets, and right-to-use subscription-based information technology arrangement (SBITA) assets. The total change in the City's investment in capital assets for the current fiscal year represents purchases, retirements, construction in progress for infrastructure, and transfers and adjustments.

TABLE III
Capital Assets at Fiscal Year-End

	Governmental Activities		Business-Type Activities		TOTAL	
	2025	2024	2025	2024	2025	2024
Land	$ 16,618,750	$ 14,770,585	$ 538,350	$ 538,350	$ 17,157,100	$ 15,308,935
CIP	23,858,297	23,124,610	1,339,702	1,006,235	25,197,999	24,130,845
Buildings	12,448,734	12,869,362	1,188,587	1,292,033	13,637,321	14,161,395
Machinery and equipment	6,007,654	6,311,973	1,759,792	1,902,465	7,767,446	8,214,438
Infrastructure	24,492,924	27,469,634	27,304,516	30,314,197	51,797,440	57,783,831
Right-to-use leased assets	1,883,622	1,407,294	415,450	153,233	2,299,072	1,560,527
Right-to-use SBITA assets	323,935	449,671	-	-	323,935	449,671
Total capital assets	$ 85,633,916	$ 86,403,129	$ 32,546,397	$ 35,206,513	$118,180,313	$ 121,609,642

Additional information on the City's capital assets can be found in Note 6 of the Notes to Financial Statements section of the Basic Financial Statements section of this report.

Long-term debt. As shown in the following Table IV, Outstanding Debt at Fiscal Year-End, at the end of the current fiscal year, the City had total bonded debt outstanding of $58,240,004, consisting of General Obligation Bonds and Certificates of Obligation. These amounts do not include net unamortized premiums/(discounts) of $3,773,623. Bonded debt can be reallocated among the Governmental and Business-Type Activities to reflect the amount of outstanding debt related to capital projects. All bonded debt payments were made when due. Total outstanding bonded debt decreased by $4,285,000 for the current fiscal year due to the payment of principal (see Note 6).

TABLE IV
Outstanding Debt at Fiscal Year-End

	Governmental Activities		Business-Type Activities		TOTAL	
	2025	2024	2025	2024	2025	2024
General obligation bonds	$ 1,701,067	$ 2,492,064	$ 1,298,937	$ 1,902,940	$ 3,000,004	$ 4,395,004
Certificates of obligation	44,722,591	47,117,624	10,517,409	11,012,376	55,240,000	58,130,000
Lease obligation	1,583,742	1,307,916	335,942	154,548	1,919,684	1,462,464
SBITA obligation	281,943	383,611	-	-	281,943	383,611
Notes payable	1,819,297	2,298,964	-	-	1,819,297	2,298,964
Total	$ 50,108,640	$ 53,600,179	$ 12,152,288	$ 13,069,864	$ 62,260,928	$ 66,670,043

In August 2024, S&P Global Ratings raised its underlying rating (SPUR) to "AA+" from "AA" on the City's existing general obligation debt and certificates of obligation, and Moody's affirmed its "Aa2" rating. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to certified assessed value of all taxable property is 1.59%.

At the end of the current fiscal year, the City also had the following debt outstanding: total lease obligations of $1,919,684, which increased $457,220 from the prior year due primarily to new leases for vehicles and copiers; $281,943 of total SBITA obligations, which decreased $101,668 from the prior year due primarily to the termination and nonrenewal of certain software subscriptions; and $1,819,297 of notes payable, which decreased $479,667 from the prior year due to repayment of the principal.

Additional information on the City's long-term debt can be found in Note 6 of the Notes to Financial Statements section of the Basic Financial Statements section of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City continues to rely primarily on property tax to fund ongoing operations, reflecting a tax base that is approximately 85 percent residential. For the 2025 tax year, certified property values increased 3.48 percent over the 2024 certified values. Sales tax, the second-largest General Fund revenue source in FY 2024–2025, increased 9.5 percent compared to the prior fiscal year.

The City remains focused on implementing its Embracing the Future – 2030 Strategic Plan, which advances its vision of being a conveniently located community that delivers outstanding services, actively engages residents, and offers a balanced mix of high-quality retail, restaurants, and entertainment. Strategic investments continue in economic development, mobility initiatives, the transit-oriented development (TOD) district, infrastructure, quality growth, regional partnerships, broadband expansion, and workforce development.

Several mixed-use and residential developments are underway or in planning stages and are expected to accommodate approximately 7,000 new residents. These projects are anticipated to significantly expand the tax base and generate measurable growth in ad valorem and sales tax revenues in the coming years.

The City Council approved a tax rate of $0.53709 for fiscal year 2025-2026. General operations and maintenance will receive $0.39249 of the total and the remaining $0.14460 will fund long-term debt of the City.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Finance, City of Corinth, 3300 Corinth Parkway, Corinth, Texas, 76208.

CORINTH
TEXAS

BASIC FINANCIAL STATEMENTS

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Corinth Economic Development Corporation	Corinth Economic Development Foundation
Assets					
Cash and cash equivalents	$ 14,144,043	$ 11,033,113	$ 25,177,156	$ 1,325,394	$ -
Investments	20,417,961	11,846,082	32,264,043	814,295	-
Receivables (net of allowance)					
Accounts	6,557,943	3,404,223	9,962,166	241,539	-
Inventories	14,978	105,279	120,257	-	-
Prepaid items	49,533	-	49,533	-	-
Capital assets not being depreciated					
Land	16,618,750	538,350	17,157,100	4,575,099	1,081,218
Construction in progress	23,858,297	1,339,702	25,197,999	-	-
Capital assets (net of accumulated depreciation/amortization)					
Buildings	12,448,734	1,188,587	13,637,321	-	-
Machinery and equipment	6,007,654	1,759,792	7,767,446	-	-
Infrastructure	24,492,924	27,304,516	51,797,440	-	-
Right to use leased assets	1,883,622	415,450	2,299,072	-	-
Right to use SBITA assets	323,935	-	323,935	-	-
Total assets	126,818,374	58,935,094	185,753,468	6,956,327	1,081,218
Deferred Outflows of Resources					
Deferred loss from refunding	-	6,923	6,923	-	-
Deferred outflows - pension	2,892,165	408,889	3,301,054	57,917	-
Deferred outflows - OPEB	62,836	7,600	70,436	1,072	-
Total deferred outflows of resources	2,955,001	423,412	3,378,413	58,989	-
Liabilities					
Accounts payable	867,306	3,645,885	4,513,191	3,573	-
Accrued liabilities	498,670	62,819	561,489	-	-
Accrued interest payable	244,599	57,896	302,495	-	-
Municipal court bonds	15,903	-	15,903	-	-
Customer meter deposits	-	871,228	871,228	-	-
Other liabilities	2,041,295	-	2,041,295	-	-
Unearned revenues	146,839	740,518	887,357	-	-
Noncurrent liabilities					
Due within one year	6,041,301	1,459,637	7,500,938	-	-
Due in more than one year	48,502,511	11,555,077	60,057,588	-	-
Net pension liability	6,362,295	840,446	7,202,741	104,951	-
Total OPEB liability	363,837	48,542	412,379	4,111	-
Total liabilities	65,084,556	19,282,048	84,366,604	112,635	-

The accompanying notes are an integral part of these financial statements.

Deferred Inflows of Resources					
Deferred gain on refunding	166	-	166	-	-
Deferred inflows - lease related	861,301	-	861,301	-	-
Deferred inflows - pension	690,629	89,403	780,032	4,153	-
Deferred inflows - OPEB	139,641	17,149	156,790	2,376	-
Total deferred inflows of resources	1,691,737	106,552	1,798,289	6,529	-
Net Position					
Net investment in capital assets	45,454,827	26,388,060	71,842,887	4,575,099	1,081,218
Restricted for capital projects	2,759,047	3,646,975	6,406,022	-	-
Restricted for specific programs	3,302,379	-	3,302,379	-	-
Restricted for debt service	721,329	-	721,329	-	-
Restricted for economic development	-	-	-	2,321,053	-
Unrestricted	10,759,500	9,934,871	20,694,371	-	-
Total net position	$ 62,997,082	$ 39,969,906	$ 102,966,988	$ 6,896,152	$ 1,081,218

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions
Primary Government				
Governmental activities				
Public safety	$ 17,721,483	$ 7,087,302	$ -	$ 1,335,227
Community services	3,188,752	124,970	-	-
Public works	5,737,449	1,129,256	-	-
Planning and community development	1,667,151	1,718,180	-	-
City administration	4,677,145	38,515	161,270	-
Finance and administrative services	1,370,932	-	-	-
Interest on long-term debt	1,539,083	-	431,685	-
Total governmental activities	35,901,995	10,098,223	592,955	1,335,227
Business-type activities				
Water and wastewater	21,606,046	17,699,778	-	907,216
Storm drainage	1,332,756	820,251	-	23,368
Total business-type activities	22,938,802	18,520,029	-	930,584
Total primary government	58,840,797	28,618,252	592,955	2,265,811
Component units				
Corinth Economic Development Corporation	684,286	-	-	-
Corinth Economic Development Foundation	-	-	-	-
Total component units	$ 684,286	$ -	$ -	$ -
General Revenues				
Taxes				
Property taxes				
Sales taxes				
Franchise taxes				
Hotel occupancy tax				
Vehicle tax				
Investment income (loss)				
Other income				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
Change in Accounting Principle (Note 11)				
Net position, beginning, as restated				
Net position, ending				

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Corinth Economic Development Corporation	Corinth Economic Development Foundation
$ (9,298,954)	$ -	$ (9,298,954)		
(3,063,782)	-	(3,063,782)		
(4,608,193)	-	(4,608,193)		
51,029	-	51,029		
(4,477,360)	-	(4,477,360)		
(1,370,932)	-	(1,370,932)		
(1,107,398)	-	(1,107,398)		
(23,875,590)	-	(23,875,590)		
-	(2,999,052)	(2,999,052)		
-	(489,137)	(489,137)		
-	(3,488,189)	(3,488,189)		
(23,875,590)	(3,488,189)	(27,363,779)		
			$ (684,286)	$ -
			-	-
			(684,286)	-
18,820,084	-	18,820,084	-	-
4,078,154	-	4,078,154	1,389,529	-
1,261,367	-	1,261,367	-	-
129,461	-	129,461	-	-
158,590	-	158,590	-	-
1,805,674	997,717	2,803,391	79,655	-
969,535	684	970,219	-	-
772,452	(772,452)	-	-	-
27,995,317	225,949	28,221,266	1,469,184	-
4,119,727	(3,262,240)	857,487	784,898	-
59,020,342	43,232,146	102,252,488	6,111,254	1,081,218
(142,987)	-	(142,987)	-	-
58,877,355	43,232,146	102,109,501	6,111,254	1,081,218
$ 62,997,082	$ 39,969,906	$ 102,966,988	$ 6,896,152	$ 1,081,218

	General	Debt Service	2023 CO Fund
Assets			
Cash and cash equivalents	$ 4,251,458	$ 867,737	$ 258,482
Investments	6,549,163	-	6,867,946
Receivables (net of allowance)			
Property taxes	273,449	94,546	-
Sales taxes	475,528	-	-
Accounts	869	-	-
Interest	105,540	3,543	17,140
Warrants	1,331,862	-	-
Ambulance	1,238,072	-	-
Leases	872,322	-	-
Miscellaneous	384,419	-	-
Due from other governments	172,831	2,617	-
Inventories	14,978	-	-
Prepaid items	36,033	-	-
Total assets	$ 15,706,524	$ 968,443	$ 7,143,568
Liabilities			
Accounts payable	$ 574,717	$ 2,515	$ -
Accrued liabilities	430,683	-	-
Municipal court bonds	15,903	-	-
Other liabilities	1,297,453	-	-
Unearned revenue	-	-	-
Total liabilities	2,318,756	2,515	-
Deferred Inflows of Resources			
Lease related	861,301	-	-
Unavailable revenue	1,741,056	93,210	-
Total deferred inflows of resources	2,602,357	93,210	-
Fund Balances			
Nonspendable	51,011	-	-
Restricted	-	872,718	7,143,568
Committed	-	-	-
Unassigned	10,734,400	-	-
Total fund balances	10,785,411	872,718	7,143,568
Total liabilites, deferred inflows of resources, and fund balances	$ 15,706,524	$ 968,443	$ 7,143,568

The accompanying notes are an integral part of these financial statements.

Other Governmental Funds	Total Governmental Funds
$ 8,766,366	$ 14,144,043
7,000,852	20,417,961
-	367,995
223,159	698,687
34,911	35,780
47,639	173,862
-	1,331,862
-	1,238,072
-	872,322
1,279,496	1,663,915
-	175,448
-	14,978
13,500	49,533
$ 17,365,923	$ 41,184,458
$ 290,074	$ 867,306
67,987	498,670
-	15,903
743,842	2,041,295
53,002	53,002
1,154,905	3,476,176
-	861,301
1,157,808	2,992,074
1,157,808	3,853,375
13,500	64,511
11,861,704	19,877,990
3,178,006	3,178,006
-	10,734,400
15,053,210	33,854,907
$ 17,365,923	$ 41,184,458

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Total Fund Balances - Governmental Funds	$ 33,854,907
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	85,633,916
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. As a result, these liabilities decrease net position:	
Leases payable	(1,583,742)
SBITAs payable	(281,943)
Bonds payable	(49,437,787)
Notes payable	(1,819,297)
Accrued compensated absences	(1,411,505)
Deferred gain on bond refunding is not included in the governmental funds but is deferred and amortized in the government wide statements.	(166)
Payables for bond interest which are not due in the current period are not reported in the fund financial statements but are included in the statement of net position. This results in a decrease in net position.	(244,599)
Included in liabilities is the recognition of the City's net pension liability in the amount of $6,362,295, a deferred inflow of resources of $690,629 and a deferred outflow of resources of $2,892,165. This results in a decrease in net position.	(4,160,759)
Included in liabilities is the recognition of the City's total OPEB liability in the amount of $373,375, a deferred inflow of resources of $139,641, and a deferred outflow of resources of $62,836. This results in a decrease in net position.	(450,180)
Other adjustments are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of $362,893, net fines, fees and court costs receivable of $161,245, net fees for ambulance receivables of $1,152,010, franchise tax receivable for $64,124, grant receivable of $1,157,808, and net receivable for other items of $157, were unavailable to pay for the current period expenditures and are deferred inflows in the governmental funds but are recognized as revenue in the government wide statements. This results in an increase in net position.	2,898,237
Net Position of Governmental Activities	$ 62,997,082

The accompanying notes are an integral part of these financial statements.

	General	Debt Service	2023 CO Fund
Revenues			
Taxes			
Property	$ 13,550,864	$ 5,006,204	$ -
Sales	2,806,094	-	-
Hotel occupancy tax	-	-	-
Franchise	1,302,144	-	-
Vehicle	-	-	-
Escrow and impact fees	-	-	-
Utility fees	38,515	-	-
Traffic fines and forfeitures	629,099	-	-
Development fees and permits	1,718,180	-	-
Police fees and permits	821,435	-	-
Parks and recreation fees	82,014	-	-
Fire services	4,322,048	-	-
Donations	-	-	-
Investment income	625,488	79,198	306,811
Grants	14,392	-	-
Miscellaneous income	114,727	431,685	-
Charges for services	124,970	-	-
Total revenues	26,149,970	5,517,087	306,811
Expenditures			
Current			
Public safety	14,996,554	-	-
Community services	2,794,456	-	-
Public works	1,390,436	-	-
Planning and community development	1,622,107	-	-
City administration	3,864,865	-	-
Finance and administrative services	1,379,747	-	-
Debt service			
Principal	391,565	3,539,878	-
Interest	69,577	1,775,631	-
Issuance cost and fees	-	3,100	-
Capital outlay	711,205	-	-
Total expenditures	27,220,512	5,318,609	-
Excess (Deficiency) of Revenues over (under) Expenditures	(1,070,542)	198,478	306,811
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	-	-
Issuance of leases	171,677	-	-
Issuance of SBITAs	125,319	-	-
Transfers out	(1,311,256)	(477,674)	-
Transfers in	2,294,906	23,211	-
Total other financing sources (uses)	1,280,646	(454,463)	-
Net Change in Fund Balance	210,104	(255,985)	306,811
Fund Balance - October 1 (Beginning)	10,575,307	1,128,703	6,836,757
Fund Balance - September 30 (Ending)	$ 10,785,411	$ 872,718	$ 7,143,568

The accompanying notes are an integral part of these financial statements.

Other Governmental Funds	Total Governmental Funds
$ 143,674	$ 18,700,742
1,272,060	4,078,154
129,461	129,461
-	1,302,144
158,590	158,590
1,129,256	1,129,256
-	38,515
67,377	696,476
-	1,718,180
56,574	878,009
515,195	597,209
78,361	4,400,409
161,270	161,270
794,177	1,805,674
163,027	177,419
1,046,889	1,593,301
-	124,970
5,715,911	37,689,779
989,893	15,986,447
143,736	2,938,192
502,998	1,893,434
-	1,622,107
275,931	4,140,796
-	1,379,747
528,496	4,459,939
55,276	1,900,484
-	3,100
4,915,363	5,626,568
7,411,693	39,950,814
(1,695,782)	(2,261,035)
58,598	58,598
681,986	853,663
19,075	144,394
(1,516,715)	(3,305,645)
1,759,980	4,078,097
1,002,924	1,829,107
(692,858)	(431,928)
15,746,068	34,286,835
$ 15,053,210	$ 33,854,907

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City of Corinth, Texas
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Exhibit A-6)
Year Ended September 30, 2025

Net Change in Fund Balances - Total Governmental Funds		$ (431,928)
Amounts reported for governmental activities in the statement of activities are different because:		
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements.		5,164,897
The net book value of capital assets disposed reduces net position.		(111,718)
Depreciation and amortization are not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.		(5,822,392)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Issuance of leases	(853,663)	
Issuance of SBITAs	(144,394)	
Issuance of notes payable	(19,269)	
Bond principal repayments	3,186,030	
Lease principal repayment	577,837	
SBITA principal repayment	246,062	
Notes payable principal repayment	498,936	
Amortization of bond premium	337,123	
Amortization of deferred gain on bond refunding	169	
		3,828,831
Changes in long-term liabilities for compensated absences are not reported in the governmental funds but are included in the statement of activities.		401,742
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due. The current year change in the interest accrual is a decrease in net position.		(21,717)
Certain pension expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of $1,984,640. The City's unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the City's pension expense must be recognized. These cause the change in net position to decrease in the amount of $2,449,050.		(464,410)
Certain OPEB expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of $28,945. The City's unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the City's OPEB expense must be recognized. These cause the change in net position to increase in the amount of $12,014.		16,931
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred inflows of resources as revenue, adjusting current year revenue to include the revenue earned from current year's tax levy, and eliminating interfund transactions. These adjustments result in an increase in net position.		1,559,491
Change in Net Position of Governmental Activities		$ 4,119,727

The accompanying notes are an integral part of these financial statements.

	Enterprise Funds		
	Water and Wastewater Fund	Storm Drainage Fund	Total Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents	$ 10,291,087	$ 742,026	$ 11,033,113
Investments	11,342,060	504,022	11,846,082
Receivables (net of allowance)			
Accounts	2,494,538	96,874	2,591,412
Interest	65,467	4,619	70,086
Miscellaneous	742,725	-	742,725
Inventories	102,891	2,388	105,279
Total current assets	25,038,768	1,349,929	26,388,697
Noncurrent assets			
Capital assets			
Land	526,350	12,000	538,350
Construction in progress	692,781	646,921	1,339,702
Buildings	1,911,916	-	1,911,916
Machinery and equipment	2,565,056	371,210	2,936,266
Infrastructure	54,000,555	9,343,755	63,344,310
Right to use leased assets	612,931	55,621	668,552
Less accumulated amortization	(247,193)	(5,909)	(253,102)
Less accumulated depreciation	(33,121,623)	(4,817,974)	(37,939,597)
Total capital assets, net	26,940,773	5,605,624	32,546,397
Total assets	51,979,541	6,955,553	58,935,094
Deferred Outflows of Resources			
Deferred charge on refunding	6,923	-	6,923
Deferred outflows - pension	358,722	50,167	408,889
Deferred outflows - OPEB liability	6,810	790	7,600
Total deferred outflows of resources	372,455	50,957	423,412
Liabilities			
Current liabilities			
Accounts payable	3,621,070	24,815	3,645,885
Accrued liabilities	58,514	4,305	62,819
Accrued interest payable	57,896	-	57,896
Customer deposits	871,228	-	871,228
Current portion of leases	78,847	8,378	87,225
Current portion of compensated absences	99,758	1,114	100,872
Current portion of bonds	1,270,267	-	1,270,267
Current portion of total OPEB liability	1,187	86	1,273
Unearned revenue	740,518	-	740,518
Total current liabilities	6,799,285	38,698	6,837,983

The accompanying notes are an integral part of these financial statements.

Noncurrent liabilities			
Leases	217,389	31,328	248,717
Compensated absences	-	787	787
Net pension liability	743,200	97,246	840,446
Total OPEB liability	45,248	3,294	48,542
Bonds	11,305,573	-	11,305,573
Total noncurrent liabilities	12,311,410	132,655	12,444,065
Total liabilities	19,110,695	171,353	19,282,048
Deferred Inflows of Resources			
Deferred inflows - pension	81,555	7,848	89,403
Deferred inflows - OPEB	15,236	1,913	17,149
Total deferred inflows of resources	96,791	9,761	106,552
Net Position			
Net investment in capital assets	20,822,142	5,565,918	26,388,060
Restricted for capital projects	3,646,975	-	3,646,975
Unrestricted	8,675,393	1,259,478	9,934,871
Total net position	$ 33,144,510	$ 6,825,396	$ 39,969,906

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	Enterprise Funds		
	Water and Wastewater Fund	Storm Drainage Fund	Total Enterprise Funds
Operating Revenues			
Charges for sales and services:			
Water sales	$ 9,596,834	$ -	$ 9,596,834
Wastewater disposal	5,745,756	-	5,745,756
Storm drainage fees	-	788,359	788,359
Garbage	1,557,037	-	1,557,037
Penalties and reconnect fees	214,914	-	214,914
Tap fees	489,080	-	489,080
Service fees	1,375	-	1,375
Inspections	94,782	31,892	126,674
Total Operating Revenues	17,699,778	820,251	18,520,029
Operating Expenses			
Wages and benefits	2,579,246	241,950	2,821,196
Professional services and contracts	2,886,135	496,178	3,382,313
Upper Trinity contract fees	7,905,127	-	7,905,127
Maintenance and operations	3,451,646	57,523	3,509,169
Supplies	78,427	8,891	87,318
Utilities and communication	706,561	2,454	709,015
Vehicles/equipment and fuel	103,226	23,266	126,492
Travel and training	43,607	3,284	46,891
Amortization	95,289	8,900	104,189
Depreciation	2,655,775	486,322	3,142,097
Total Operating Expenses	20,505,039	1,328,768	21,833,807
Operating Loss	(2,805,261)	(508,517)	(3,313,778)
Nonoperating Revenues (Expenses)			
Interest income	941,357	56,360	997,717
Miscellaneous income (expense)	684	-	684
Loss on sale of capital assets	(728,171)	-	(728,171)
Interest expense	(372,836)	(3,988)	(376,824)
Total Nonoperating (Expenses) Revenues	(158,966)	52,372	(106,594)
Income Before Contributions and Transfers	(2,964,227)	(456,145)	(3,420,372)
Contributions and Transfers			
Special assessment - water and wastewater impact fees	734,781	-	734,781
Capital contributions	172,435	23,368	195,803
Transfers in	1,333,207	282,797	1,616,004
Transfers out	(2,044,293)	(344,163)	(2,388,456)
Total Contributions and Transfers	196,130	(37,998)	158,132
Change in Net Position	(2,768,097)	(494,143)	(3,262,240)
Net Position, Beginning	35,912,607	7,319,539	43,232,146
Net Position, Ending	$ 33,144,510	$ 6,825,396	$ 39,969,906

The accompanying notes are an integral part of these financial statements.

	Enterprise Funds		
	Water and Wastewater Fund	Storm Drainage Fund	Total Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	$ 17,259,697	$ 811,316	$ 18,071,013
Payments to or on behalf of employees	(2,541,965)	(235,868)	(2,777,833)
Payments to Upper Trinity for contract fees	(7,905,127)	-	(7,905,127)
Payments to suppliers	(5,213,792)	(632,549)	(5,846,341)
Net Cash Provided by (Used in) Operating Activities	1,598,813	(57,101)	1,541,712
Cash Flows from Noncapital Financing Activities			
Transfers out	(2,044,293)	(344,163)	(2,388,456)
Transfers in	1,333,207	282,797	1,616,004
Net Cash Used by Noncapital Financing Activities	(711,086)	(61,366)	(772,452)
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(776,685)	(62,985)	(839,670)
Principal paid on bonds	(1,098,970)	-	(1,098,970)
Principal paid on leases	(89,958)	(7,516)	(97,474)
Interest paid on bonds	(506,322)	(3,988)	(510,310)
Special assessments- impact fees	734,781	-	734,781
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,737,154)	(74,489)	(1,811,643)
Cash Flows from Investing Activities			
Decrease (increase) in short-term investments	(1,678,471)	(21,716)	(1,700,187)
Interest received	881,539	51,741	933,280
Net Cash (Used) Provided by Investing Activities	(796,932)	30,025	(766,907)
Net Change in Cash and Cash Equivalents	(1,646,359)	(162,931)	(1,809,290)
Cash and Cash Equivalents, Beginning	11,937,446	904,957	12,842,403
Cash and Cash Equivalents, Ending	$ 10,291,087	$ 742,026	$ 11,033,113

The accompanying notes are an integral part of these financial statements.

	Wastewater Fund	Drainage Fund	Enterprise Funds
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities			
Operating loss	$ (2,805,261)	$ (508,517)	$ (3,313,778)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities			
Depreciation and amortization	2,751,064	495,222	3,246,286
(Increase) decrease in accounts receivable	(520,711)	(8,935)	(529,646)
(Increase) decrease in inventories	4,807	3,956	8,763
(Increase) decrease in prepaid items	9,451	450	9,901
Increase (decrease) in accounts payable	1,636,077	(45,359)	1,590,718
Increase (decrease) in customer deposits	80,630	-	80,630
Increase (decrease) in accrued liabilities	442,756	6,082	448,838
Net Cash Provided by (Used in) Operating Activities	$ 1,598,813	$ (57,101)	$ 1,541,712
Noncash Investing and Financing Activities			
Infrastructure contributed by developers	$ 172,435	$ 23,368	$ 195,803
Assets acquired through issuance of leases	234,675	-	234,675

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Note 1 - Reporting Entity

The City of Corinth, Texas (the City) is a municipal corporation governed by an elected mayor and five-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The financial statements of the City have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The City's basic financial statements include the accounts of all its operations. The City evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the City's reporting entity, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended, include whether:

- the organization is legally separate (can sue and be sued in their own name),
- the City holds the corporate powers of the organization,
- the City appoints a voting majority of the organization's board,
- the City is able to impose its will on the organization,
- the organization has the potential to impose a financial benefit/burden on the City,
- there is fiscal dependency by the organization on the City.

The City also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the City to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, requires inclusion of such an organization as a component unit when: 1) the economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the City, its component units or its constituents; 2) the City or its component units are entitled to, or have the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) such economic resources are significant to the City.

Based on the criteria above, the City has the following component units:

Blended component units. The Corinth Crime Control and Prevention District (CCD) was organized under state law, serves all the citizens of the City, and is financed by a one-quarter of one percent (.0025) sales and use tax for the support of crime reduction programs authorized by the City. The Fire District was organized under state law, serves all the citizens of the City, and is financed by a one-quarter of one percent (.0025) sales and use tax for the support of fire control, prevention, and emergency services authorized by the City. The CCD and Fire District are governed by a board of directors, the members of which are appointed and serve at the discretion of the City Council. Because the CCD and Fire District boards are made up of the City Council, the CCD and Fire District meet the standard that the board is substantially the same as the City Council. The CCD and Fire District provide services entirely to the City. Therefore, the CCD and Fire District are reported as blended component units. The CCD and Fire District are reported as a special revenue funds and do not issue separate financial statements.

Discretely presented component units. The Corinth Economic Development Corporation (CEDC) was organized under state law for the purpose of promoting economic development. State statutes define projects that the corporation may fund. The CEDC is governed by a board of directors that is appointed by and serves at the discretion of the City Council. The City has the ability to impose its will on the CEDC. The CEDC is reported as a governmental fund and its accounts are maintained on the modified accrual basis of accounting. The CEDC does not issue separate financial statements.

The Corinth Economic Development Foundation (CEDF) was organized as a nonprofit corporation to promote and enhance the economic and business community in the City of Corinth. The CEDF is governed by a board of directors that is appointed by and serves at the discretion of the City Council. The CEDF is reported as a governmental fund and its accounts are maintained on the modified accrual basis of accounting. The CEDF does not issue separate financial statements.

Note 2 - Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as general revenue.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the fund financial statements.

Note 3 - Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes, certain charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- **General Fund** – The General Fund is the general operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.
- **Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
- **2023 CO Fund** – The 2023 CO Fund is used to account for the resources obtained from the issuance of the 2023 $10,980,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation.

The City reports the following major proprietary fund types:

- **Water and Wastewater Fund** – The Water and Wastewater Fund provides water and wastewater services to the residents and businesses of the City. The activities supporting the delivery of services are accounted for in this fund, including operations and maintenance, administration, billing, financing and debt service. The Water and Wastewater Fund is financed and operated in a manner similar to private business enterprises, where the determination of net income is necessary or useful to sound financial administration.
- **Storm Drainage Fund** – The Storm Drainage Utility Fund is used to protect the public health and safety from damage caused by surface water overflows, and surface water stagnation and pollution within the city.

Additionally, the City reports the following fund types:

- Nonmajor special revenue funds account for specific revenue sources that are legally restricted to expenditures for specialized purposes or committed for special projects.
- Nonmajor capital projects funds are used to account for acquisition and construction of major capital facilities (other than those accounted for within the City's proprietary funds) and vehicle replacement funds. Capital projects are funded primarily though certificates of obligation.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The Water and Wastewater Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses include cost of sales and services, administrative expenses and depreciation expense on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 4 - Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

For purposes of the statement of cash flows for the proprietary fund types, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments
Investments for the City and CEDC are reported at fair value (generally based on quoted market prices), except for the positions in TexPool and TexSTAR. In accordance with state law, TexPool and TexSTAR operate in conformity with the requirements of the Securities and Exchange Commission's (SEC's) Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended.

Accordingly, TexPool and TexSTAR qualify as 2a-7-like pools and are reported at amortized cost. The pools are subject to regulatory oversight by the State Comptroller, although they are not registered with the SEC.

Fair Value Measurements
Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- Level 2 inputs are observable inputs other than quoted prices included within Level 1 that are for similar assets or liabilities. U.S. government-backed securities are valued using Level 2 inputs that are valued using a matrix pricing model.
- Level 3 inputs are unobservable inputs for an asset or liability either directly or indirectly.

Receivables and Payables
Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance totaled $2,547,330 for General Fund, $8,091 for Debt Service Fund, $96,328 for Water and Wastewater Fund and $190 for Storm Drainage Fund.

Inventory
Inventory is valued at cost using the first-in, first-out (FIFO) method. Inventories consist of expendable supplies held for consumption or the construction of plant and equipment. Inventories are recorded as expenditures when consumed rather than when purchased.

Prepaid Items
Prepaid items on the balance sheet are accounted for using the consumption method and are recognized as expenditures over the periods in which the service is provided.

Pensions
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's fiduciary net position has been determined on the same basis as it is reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB
The fiduciary net position of the TMRS Supplemental Death Benefits Plan (SDBP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities and additions to/deductions from SDBP's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. The City has a deferred charge on bond refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City has deferred outflows of resources related to pensions as described in Note 7. The City also has deferred outflows of resources related to its Supplemental Death Benefits Plan as described in Note 8.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has five items that qualify for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines, ambulance services and other items. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is deferred inflows related to leases where the City is the lessor and is reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on the straight-line basis over the term of the lease. The City also has deferred inflows of resources related to pensions as described in Note 7 and related to its Supplemental Death Benefits Plan as described in Note 8. The City has a deferred inflow on bond refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt

Capital Assets

Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements as well as in the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. Other property, plant, equipment, and infrastructure of the City, and its component units, are depreciated using the straight-line method over the following useful lives:

Buildings	40 years
Land improvements	10-20 years
Machinery and equipment	5-20 years
Office and computer equipment	3-10 years
Water and wastewater system infrastructure	20-40 years
Storm drainage system infrastructure	20-40 years
Streets	20-50 years
Park equipment	10-20 years

Right to use leased assets are recognized at the lease commencement date and represent the City's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 36 to 84 months.

Right to use subscription IT assets are recognized at the subscription commencement date and represent City's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 27 to 60 months.

Lease Receivables

Lease receivables are recorded by the City as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. Future lease payments to be received are discounted based on the interest rate the City charges the lessee.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. Future lease payments are discounted based on a borrowing rate determined by the City.

Compensated Absences
Accumulated earned but unused vacation, holiday, compensatory time and sick leave are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time and sick pay benefits. Eligible employees are reimbursed upon separation from service for accumulated vacation, holiday, sick pay; non-exempt employees are reimbursed for vacation, holiday, compensatory time and sick leave.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from these estimates.

Property Taxes
Property is appraised and a lien on such property becomes enforceable as of January 1st of each year. Taxes are levied on and payable the following October 1. Taxes become delinquent February 1 of the following year and are subject to interest and penalty charges. The City is permitted by the State of Texas to levy taxes up to $2.50 per $100 of assessed valuation for general government services and for the payment of principal and interest on general long-term debt. The combined current tax rate to finance general government services, including debt service for the fiscal year ended September 30, 2025, was $.514 per $100 of assessed valuation.

Fund Balance
The City classifies governmental fund balance in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

- *Nonspendable* fund balance includes fund balance that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The City had $14,978 and $36,033 in nonspendable fund balance for inventory and prepaid items, respectively, in the General Fund, and $13,500 in nonspendable fund balance for prepaid items in other governmental funds at September 30, 2025.

- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Debt Service fund balance restricted for the retirement of funded indebtedness totaled $872,718 as of September 30, 2025. Fund balance restricted for future capital projects included the 2023 CO Fund, 2016 CO Fund, 2019 CO Fund, and 2020 CO Fund and totaled $7,143,568, $2,072,403, $2,582,132, and $1,145,743, respectively. Special revenue fund balance restricted for specific programs included Crime Control and Prevention, Hotel Motel Tax, Keep Corinth Beautiful, County Child Safety, Special Revenue, Municipal Court Security, Municipal Court Technology, Police Confiscation – State, Parks Development, Community Park Improvement, Tree Mitigation, Roadway Impact Fee, Fire District, Reinvestment Zone #2, Short-term Rental Vehicle Tax, Reinvestment Zone #3, and Consolidated Municipal Court Security and Technology, respectively totaled $684,228, $129,862, $34,280, $59,515, $5,496, $117,307, $54,729, $18,191, $402,773, $61,020, $732,975, $2,759,047, $256,126, $263,575, $313,593, $153,723, and $14,986, respectively, as of September 30, 2025.

- *Committed* fund balance is established and modified by a resolution from City Council, the City’s highest level of decision-making authority, and can be used only for the specified purposes determined by the Council's resolution. Special Revenue fund balance committed for specific programs totaled $287,702 as of September 30, 2025. Capital project fund balances committed for future projects included the Governmental Capital Projects, Vehicle Replacement, LCFD Vehicle and Equipment Replacement, Tech Equipment Replacement, and LCFD Public Property and totaled $1,199,511, $482,892, $97,416, $1,084,463, and $26,022, respectively, as of September 30, 2025.

- *Assigned* fund balance includes the portion of net resources for which an intended use has been established by the City Council or the City Official authorized to do so by the City Council. Assignments of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds, other than the General Fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund but do not meet the criteria to be classified as restricted or committed. Per the City's Fund Balance Policy, the City Council authorizes the City Manager as the City Official responsible for the assignment of fund balance to a specific purpose.

- *Unassigned* fund balance is the residual classification for the City's General Fund and includes all spendable amounts not contained in the other classifications, as well as negative unassigned fund balance in other governmental funds.

Minimum Fund Balance Policy

The City Council has adopted a financial policy to maintain an unassigned fund balance in the General Fund equal to 20% of expenditures and in the Water and Wastewater Fund and Storm Drainage Fund equal to 25% of expenses. The City considers a balance of less than 15% to be cause for concern, barring unusual or deliberate circumstances. In the event that the unassigned fund balance is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in subsequent fiscal years to restore the balance.

Flow Assumptions

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned, then unassigned fund balance.

Net Position

Net position represents the difference between the sum of assets and deferred outflows of resources and the sum of liabilities and deferred inflows of resources. The City's net position is composed of the following:

Net Investment in Capital Assets is the component of net position that reports capital assets less both the accumulated depreciation and the outstanding balance of debt that is directly attributable to the acquisition, construction, or improvements of these capital assets. The net investment in capital assets is made up of the following:

	Governmental Activities	Water and Wastewater Fund	Storm Drainage Fund	Business-Type Activities
Net carrying value of capital assets	$ 85,633,916	$ 26,940,773	$ 5,605,624	$ 32,546,397
Less:				
Outstanding principal of capital debt and other capital borrowings	(50,108,640)	(12,112,582)	(39,706)	(12,152,288)
Unamortized balance of original issue premiums	(3,014,129)	(759,494)	-	(759,494)
Outstanding balance of capital related liabilities, including accounts payable	(194,942)	(3,291,529)	-	(3,291,529)
Unamortized balance of capital related deferred inflows of resources	(166)	-	-	-
Plus:				
Unamortized balance of capital related deferred outflows	-	6,923	-	6,923
Unspent bond proceeds from capital related debt	13,138,788	10,038,051	-	10,038,051
Net investment in capital assets	$ 45,454,827	$ 20,822,142	$ 5,565,918	$ 26,388,060

Restricted for Capital Projects is the component of net position that reports the difference between assets and liabilities with constraints placed on their use by roadway impact fees and other restrictions.

Restricted for Specific Programs is the component of net position that reports the difference between assets and liabilities with constraints placed on their use by external parties.

Restricted for Debt Service is the component of net position that reports the difference between assets and liabilities of the Debt Service Fund, net of accrued interest, with constraints placed on their use by the bond covenants.

Restricted for Economic Development is the component of net position that reports the difference between assets and liabilities of the discretely presented component units.

Unrestricted is the difference between the assets and liabilities that are not reported in net position invested in capital assets, net position restricted for debt service, net position restricted for capital projects, and net position restricted for specific programs.

Implementation of GASB Statement No. 101
As of October 1, 2024, the City adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provide guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 11.

Implementation of GASB Statement No. 102
As of October 1, 2024, the City adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure. There were no significant concentrations or constraints that warranted disclosure as a result of implementation of this standard.

Note 5 - Stewardship, Compliance and Accountability

Budgetary Information
Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund; Crime Control and Prevention, Hotel/Motel Tax, Keep Corinth Beautiful, County Child Safety, Municipal Court Security, Municipal Court Technology, Police Confiscation - State, Parks Development, Community Park Improvement, Tree Mitigation, Roadway Impact Fee, Fire District, Broadband Utility, Reinvestment Zone #2, Short-term Rental Vehicle Tax, and Reinvestment Zone #3 special revenue funds; and the Debt Service fund. The capital projects funds are appropriated on a project-length basis. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (i.e., grant awards and city council resolutions) that sometimes span a period of more than one fiscal year.

The annual budget is adopted by fund, functional department, and division. Budget transfers between divisions within the same department may be initiated by staff and approved by the Director. Transfers between functional departments require approval from the Director, Budget Manager, and Finance Director. Transfers between funds may require City Council approval. All appropriation transfers are subject to final approval by the City Manager.

The legal level of budgetary control is established at the fund level; therefore, expenditures may not legally exceed total appropriations within a fund. The City Manager is authorized to approve budget amendments that modify departmental or operating appropriations.

Appropriations for all budgeted funds lapse at fiscal year-end, even when related encumbrances exist. Encumbrances represent commitments for unperformed contracts for goods or services, including purchase orders, contracts, and other binding agreements.

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

Note 6 - Detailed Notes on All Funds

Cash and Investments

Custodial Credit Risk. Cash deposits of the City, CEDC and CEDF at September 30, 2025, were entirely secured by FDIC insurance and pledged collateral held by the City's agent bank. At September 30, 2025, bank balances of $28,165,266 were on deposit with the contracted depository bank.

State statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) Texas local government investment pools; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or (b) secured by obligations that are described by (1) – (4); and (6) reverse repurchase agreements not to exceed 90 days to stated maturity.

Following are the City's investments at September 30, 2025, including classification by level within the fair value hierarchy:

Primary Government

Investment Pools	Reported Value	Level	S&P Rating	Weighted Average Maturity	Withdrawal or Liquidity Restrictions
TexSTAR	$ 26,261,374	N/A	AAAm	< 60 days	None

Other Investments				Investment Maturity in Years		
				Less than 1 Year	1 - 5	More than 5 Years
U.S. Government Backed Securities	6,002,669	Level 2	AA+	$ 1,002,670	$ 4,999,999	$ -
Total Investments	$ 32,264,043			$ 1,002,670	$ 4,999,999	$ -

CEDC

Investment Pools	Reported Value	Level	S&P Rating	Weighted Average Maturity	Withdrawal or Liquidity Restrictions
TexPool	$ 574,698	N/A	AAAm	< 60 days	None

Other Investments				Investment Maturity in Years		
				Less than 1 Year	1 - 5	More than 5 Years
Money Market	239,597	Level 1	N/A	$ 239,597	$ -	$ -
Total Investments	$ 814,295			$ 239,597	$ -	$ -

Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Hermes through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. Audited financial statements of the pool can be obtained directly from the Texas Treasury Safekeeping Trust Company website. In addition, TexPool is subject to review by the State Auditor's Office and by the internal auditors of the Comptroller's Office.

The Texas Short Term Asset Reserve Program (TexSTAR) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools (including TexSTAR) and authorize eligible governmental entities to invest their public funds through the investment pools. TexSTAR is administered by Hilltop Securities, Inc. and J.P. Morgan Investment Management, Inc.

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to decline in fair value of securities by limiting the City to securities with maturities not to exceed 36 months from date of purchase. The City also manages the weighted average days to maturity for the operating funds portfolio to less than 365 days, and the reserve, special project and capital project funds to less than 365 days. The CEDC limits weighted average days to maturity for the operating funds portfolio to less than 270 days.

The City and CEDC invest in the public funds investment pools listed above, which have specified maximum weighted average maturities for their investment portfolios. The maximum weighted average maturity (WAM) of TexPool investment portfolios cannot exceed 60 days. TexSTAR also maintains a portfolio maximum WAM of 60 days.

Credit Risk. State law and City policy limit investments in local government investment pools to those rated no lower than AAA or AAAm (or equivalent) rating by at least one nationally recognized rating service. As of September 30, 2025, the City's investments in TexPool and TexSTAR were both rated AAAm by S&P Global Ratings.

Concentration of Credit Risk. The City's investment policy limits the investment portfolio by the following:

Investment	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	75%
Local Government Obligations	10%
Fully Collateralized Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	50%
U.S. Treasury and Agency Callables	30%

Capital Assets

A summary of changes in capital assets follows:

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Land	$ 14,770,585	$ 1,848,165	$ -	$ -	$ 16,618,750
Construction in progress	23,124,610	1,134,289	(400,602)	-	23,858,297
Total assets not being depreciated	37,895,195	2,982,454	(400,602)	-	40,477,047
Capital assets, being depreciated:					
Buildings	18,658,945	81,871	88,635	-	18,829,451
Machinery and equipment	16,346,188	851,912	-	293,287	16,904,813
Infrastructure	113,695,923	-	311,967	-	114,007,890
Total capital assets being depreciated	148,701,056	933,783	400,602	293,287	149,742,154
Less accumulated depreciation					
Buildings	5,789,583	591,134	-	-	6,380,717
Machinery and equipment	10,034,215	1,150,102	-	287,158	10,897,159
Infrastructure	86,226,289	3,288,677	-	-	89,514,966
Total accumulated depreciation	102,050,087	5,029,913	-	287,158	106,792,842
Right to use leased assets, being amortized:					
Buildings	236,587	-	-	-	236,587
Machinery and equipment	2,389,692	1,102,372	-	599,811	2,892,253
Total right to use leased assets, being amortized:	2,626,279	1,102,372	-	599,811	3,128,840
Less accumulated amortization					
Buildings	141,951	47,317	-	-	189,268
Machinery and equipment	1,077,034	503,930	-	525,014	1,055,950
Total accumulated amortization	1,218,985	551,247	-	525,014	1,245,218
Total right to use leased assets being amortized, net	1,407,294	551,125	-	74,797	1,883,622
Right to use SBITA assets, being amortized:					
Software	813,279	146,288	-	199,462	760,105
Less accumulated amortization					
Software	363,608	241,232	-	168,670	436,170
Net right to use SBITA assets	449,671	(94,944)	-	30,792	323,935
Total leased and subscription IT assets, net	1,856,965	456,181	-	105,589	2,207,557
Total capital assets being depreciated, net	48,507,934	(3,639,949)	400,602	111,718	45,156,869
Governmental activities capital assets, net	$ 86,403,129	$ (657,495)	$ -	$ 111,718	$ 85,633,916

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Business-type activities					
Capital assets, not being depreciated					
Land	$ 538,350	$ -	$ -	$ -	$ 538,350
Construction in progress	1,006,235	423,689	(90,222)	-	1,339,702
Total assets not being depreciated	1,544,585	423,689	(90,222)	-	1,878,052
Capital assets, being depreciated:					
Buildings	1,911,916	-	-	-	1,911,916
Machinery and equipment	2,910,818	101,207	-	75,759	2,936,266
Infrastructure	64,073,355	491,488	90,222	1,310,755	63,344,310
Total capital assets being depreciated	68,896,089	592,695	90,222	1,386,514	68,192,492
Less accumulated depreciation					
Buildings	619,883	103,446	-	-	723,329
Machinery and equipment	1,008,353	243,880	-	75,759	1,176,474
Infrastructure	33,759,158	2,794,771	-	514,135	36,039,794
Total accumulated depreciation	35,387,394	3,142,097	-	589,894	37,939,597
Right to use leased assets, being amortized:					
Machinery and equipment	400,605	267,947	-	-	668,552
Total right to use leased assets, being amortized:	400,605	267,947	-	-	668,552
Less accumulated amortization					
Machinery and equipment	247,372	104,189	-	98,459	253,102
Total accumulated amortization	247,372	104,189	-	98,459	253,102
Total right to use leased assets being amortized, net	153,233	163,758	-	(98,459)	415,450
Total capital assets being depreciated, net	33,661,928	(2,385,644)	90,222	698,161	30,668,345
Business activities capital assets, net	$ 35,206,513	$ (1,961,955)	$ -	$ 698,161	$ 32,546,397
CEDC					
Capital assets, not being depreciated					
Land	$ 3,046,917	$ 1,528,182	$ -	$ -	$ 4,575,099
Total assets not being depreciated	3,046,917	1,528,182	-	-	4,575,099
CEDC capital assets, net	$ 3,046,917	$ 1,528,182	$ -	$ -	$ 4,575,099
CEDF					
Capital assets, not being depreciated					
Land	$ 1,081,218	$ -	$ -	$ -	$ 1,081,218
Total assets not being depreciated	1,081,218	-	-	-	1,081,218
CEDF capital assets, net	$ 1,081,218	$ -	$ -	$ -	$ 1,081,218

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities	
Public safety	$ 1,346,780
Community services	207,772
Public works	3,863,186
Planning and community development	5,096
City administration	396,321
Finance and administrative services	3,237
Total depreciation/amortization expense - Governmental activities	$ 5,822,392
Business-type activities	
Water and wastewater	$ 2,751,064
Storm drainage	495,222
Total depreciation/amortization expense - Business-type activities	$ 3,246,286

Lessee Activities

The City entered into various lease agreements as lessee for the use of buildings, machinery and equipment, and infrastructure. As of September 30, 2025, the value of the lease liability was $1,919,684. The City is required to make monthly or annual principal and interest payments through May 2030. The lease liability was valued using a discount rate ranging from 0.63% to 3.51% as determined by the City's management based on the City's estimated incremental borrowing rate.

Lessor Activities

The City has accrued a receivable for two land leases. The remaining receivable for these leases was $872,322 for the year ended September 30, 2025. The interest rate on the leases ranged from 0.804% – 4.371%. Final receipt is expected in fiscal year 2050.

Subscription IT Activities

As of September 30, 2025, the value of the SBITA liability was $281,943. The City is required to make annual principal and interest payments through March 2030. The lease liability was valued using a discount rate ranging from 2.36% to 3.51% as determined by the City's management based on the City's estimated incremental borrowing rate.

Interfund Transfers

The composition of interfund transfers in/out as of September 30, 2025, is as follows:

Fund	Transfers In	Transfers Out	Purpose
General	$ 2,294,906	$ 1,311,256	Administrative Transfer, Contributions to Vehicle and Equipment Replacement
Debt Service	23,211	477,674	Administrative Transfer
Other Governmental	1,759,980	1,516,715	Contributions to Capital Projects/Budgetary Transfers
Water and Wastewater	1,333,207	2,044,293	Administrative Transfer, Capital Improvements
Storm Drainage	282,797	344,163	Administrative Transfer, Capital Improvements
	$ 5,694,101	$ 5,694,101	

Activities	Transfers In	Transfers Out	Purpose
Governmental Activities	$ 772,452	$ -	To repay governmental activities for prior transfers
Business-Type Activities			
Water and Wastewater Fund	-	711,086	To repay governmental activities for prior transfers
Storm Drainage Fund	-	61,366	To repay governmental activities for prior transfers
	$ 772,452	$ 772,452	

Long-term Obligations

Long-term obligations of the City's governmental activities consist of general obligation bonds, certificates of obligation, lease liabilities, SBITAs and notes payable. Sources of retirement of general obligation bonds and certificates of obligation are provided from ad valorem tax. Governmental activities long-term obligations are paid primarily by the debt service fund.

Long-term obligations of the City's business-type activities consist of general obligation bonds, certificates of obligation and lease liabilities. Business-type activities long-term obligations are serviced by revenue from the Water and Wastewater and Storm Drainage systems.

Compensated absences, net pension liability and total OPEB liability are paid from the fund out of which an employee is regularly paid, primarily the General Fund, Water and Wastewater Fund, Storm Drainage Fund and CEDC.

Governmental activity lease payments are currently being made from the General Fund, the Debt Service Fund and the Fire District Fund.

The following is a summary of changes in long-term obligations for the year ended September 30, 2025:

	Beginning Balance (as restated)	Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities					
Certificates of obligation	$ 47,117,624	$ -	$ (2,395,033)	$ 44,722,591	$ 2,496,163
General obligation bonds	2,492,064	-	(790,997)	1,701,067	827,853
Bond premiums/discounts (net)	3,351,252	-	(337,123)	3,014,129	337,123
Compensated absences	1,813,247	-	(401,742)	1,411,505	1,161,637
Net pension liability	7,035,894	-	(673,599)	6,362,295	-
Total OPEB liability	368,168	5,207	-	373,375	9,538
Lease obligation	1,307,916	853,663	(577,837)	1,583,742	502,910
SBITA obligation	383,611	144,394	(246,062)	281,943	172,761
Notes payable	2,298,964	19,269	(498,936)	1,819,297	533,316
Total governmental activities	$ 66,168,740	$ 1,022,533	$ (5,921,329)	$ 61,269,944	$ 6,041,301
Business-type activities					
Certificates of obligation	$ 11,012,376	$ -	$ (494,967)	$ 10,517,409	$ 503,837
General obligation bonds	1,902,940	-	(604,003)	1,298,937	632,147
Bond premiums/discounts (net)	893,777	-	(134,283)	759,494	134,283
Compensated absences	129,826	-	(28,167)	101,659	100,872
Net pension liability	927,045	-	(86,599)	840,446	-
Total OPEB liability	49,147	668	-	49,815	1,273
Lease obligation	154,548	278,868	(97,474)	335,942	87,225
Total business type activities	15,069,659	279,536	(1,445,493)	13,903,702	1,459,637
Primary government	$ 81,238,399	$ 1,302,069	$ (7,366,822)	$ 75,173,646	$ 7,500,938
CEDC					
Compensated absences	$ 2,330	$ -	$ (2,330)	$ -	$ -
Net pension liability	108,268	-	(3,317)	104,951	-
Total OPEB liability	4,085	26	-	4,111	-
	$ 114,683	$ 26	$ (5,647)	$ 109,062	$ -

The following is a schedule of the General Obligation and Certificates of Obligation bonds:

	Date of Issue	Amount of Original Issue	Interest Rate	Maturity Date	Governmental Amount Outstanding 9/30/2025	Business Type Amount Outstanding 9/30/2025
Certificates of Obligation	4/21/2016	$ 13,275,000	2.00%-5.00%	2/15/2036	$ 9,795,000	$ -
General Obligation	7/6/2017	14,240,000	2.00%-5.00%	2/15/2027	1,701,068	1,298,932
Certificates of Obligation	7/6/2017	4,855,000	2.00%-5.00%	2/15/2037	2,522,296	1,127,704
Certificates of Obligation	3/7/2019	19,205,000	2.75%-5.00%	2/15/2039	12,619,075	3,345,928
Certificates of Obligation	10/22/2020	9,260,000	2.00%-4.00%	2/15/2040	6,285,739	1,424,261
Certificates of Obligation	1/21/2021	4,740,000	1.70%-4.00%	2/15/2041	4,060,000	-
Certificates of Obligation	10/21/2021	4,285,000	2.00%-4.00%	2/15/2041	3,620,000	-
Certificates of Obligation	4/13/2023	10,980,000	4.00%-5.00%	2/15/2043	5,820,480	4,619,521
					$ 46,423,658	$ 11,816,346

The annual requirements to retire general long-term debt, including interest, as of September 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2026	$ 3,324,016	$ 1,582,055	$ 4,906,071
2027	3,481,392	1,427,122	4,908,514
2028	2,727,474	1,280,547	4,008,021
2029	2,852,392	1,154,910	4,007,302
2030	2,982,065	1,033,451	4,015,516
2031-2035	16,536,661	3,522,472	20,059,133
2036-2040	12,642,606	1,071,316	13,713,922
2041-2043	1,877,052	85,372	1,962,424
Total	$ 46,423,658	$ 11,157,245	$ 57,580,903

The annual requirements to retire enterprise activity debt, including interest, as of September 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2026	$ 1,135,984	$ 437,218	$ 1,573,202
2027	1,193,608	381,844	1,575,452
2028	552,526	339,444	891,970
2029	577,608	313,956	891,564
2030	602,935	289,953	892,888
2031-2035	3,373,339	1,089,537	4,462,876
2036-2040	3,347,394	470,946	3,818,340
2041-2043	1,032,952	63,663	1,096,615
Total	$ 11,816,346	$ 3,386,561	$ 15,202,907

The annual requirements to retire lease obligations, including interest, as of September 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2026	$ 590,135	$ 43,739	$ 633,874
2027	518,912	29,669	548,581
2028	437,124	16,638	453,762
2029	233,824	7,410	241,234
2030	139,689	1,566	141,255
Total	$ 1,919,684	$ 99,022	$ 2,018,706

The annual requirements to retire SBITA obligations, including interest, as of September 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2026	$ 172,761	$ 7,403	$ 180,164
2027	71,118	3,020	74,138
2028	24,312	1,094	25,406
2029	13,752	354	14,106
Total	$ 281,943	$ 11,871	$ 293,814

The annual requirements to retire notes payable, including interest, as of September 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2026	$ 533,316	$ -	$ 533,316
2027	216,308	26,768	243,076
2028	221,632	25,074	246,706
2029	162,151	19,481	181,632
2030	165,872	15,759	181,631
2031-2034	520,018	24,879	544,897
Total	$ 1,819,297	$ 111,961	$ 1,931,258

Note 7 - Defined Benefit Pension Plan

Plan Description

The City participates as one of 938 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of each city, within the options available in the state statutes governing TMRS. The City has elected that members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. Members may work for more than one TMRS city during their career. If a member is vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

At the December 31, 2024, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	132
Inactive employees entitled to but not yet receiving benefits	188
Active employees	189
Total	509

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.01% and 15.30% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were $2,602,168, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%	per year
Overall payroll growth	2.75%	per year
Investment rate of return	6.75%	net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over period ended December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.00%	7.10%
Core Fixed Income	6.00%	5.00%
Non-Core Fixed Income	6.00%	6.80%
Other Private Markets	4.00%	7.30%
Real Estate	12.00%	6.70%
Infrastructure	6.00%	6.00%
Hedge Funds	5.00%	6.40%
Private Debt	13.00%	8.20%
Private Equity	13.00%	8.50%
Total	100.00%	

Discount Rate: The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

Entity-Wide	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balance at 12/31/2023	$ 64,079,020	$ 56,007,813	$ 8,071,207
Changes for the year:			
Service cost	2,813,436	-	2,813,436
Interest	4,350,348	-	4,350,348
Change in benefit terms	-	-	-
Difference between expected and actual experience	1,372,674	-	1,372,674
Change in assumptions	-	-	-
Contributions - employer	-	2,424,952	(2,424,952)
Contributions - employee	-	1,079,126	(1,079,126)
Net investment income	-	5,834,091	(5,834,091)
Benefit payments, including refunds of contributions	(2,072,275)	(2,072,275)	-
Administrative expense	-	(37,322)	37,322
Other changes	-	(874)	874
Net changes	6,464,183	7,227,698	(763,515)
Balance at 12/31/2024	$ 70,543,203	$ 63,235,511	$ 7,307,692

Primary Government	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balance at 12/31/2023	$ 63,338,823	$ 55,375,884	$ 7,962,939
Changes for the year:			
Service cost	2,765,382	-	2,765,382
Interest	4,287,870	-	4,287,870
Change in benefit terms	-	-	-
Difference between expected and actual experience	1,352,960	-	1,352,960
Change in assumptions	-	-	-
Contributions - employer	-	2,390,126	(2,390,126)
Contributions - employee	-	1,063,628	(1,063,628)
Net investment income	-	5,750,303	(5,750,303)
Benefit payments, including refunds of contributions	(2,042,514)	(2,042,514)	-
Administrative expense	-	(36,786)	36,786
Other changes	-	(861)	861
Net changes	6,363,698	7,123,896	(760,198)
Balance at 12/31/2024	$ 69,702,521	$ 62,499,780	$ 7,202,741

CEDC	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balance at 12/31/2023	$ 740,197	$ 631,929	$ 108,268
Changes for the year:			
Service cost	48,054	-	48,054
Interest	62,478	-	62,478
Change in benefit terms	-	-	-
Difference between expected and actual experience	19,714	-	19,714
Change in assumptions	-	-	-
Contributions - employer	-	34,826	(34,826)
Contributions - employee	-	15,498	(15,498)
Net investment income	-	83,788	(83,788)
Benefit payments, including refunds of contributions	(29,761)	(29,761)	-
Administrative expense	-	(536)	536
Other changes	-	(13)	13
Net changes	100,485	103,802	(3,317)
Balance at 12/31/2024	$ 840,682	$ 735,731	$ 104,951

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability (asset)	$ 18,670,652	$ 7,307,692	$ (1,872,147)
Reported by Governmental Activities	16,255,227	6,362,295	(1,629,947)
Reported by Business-Type Activities	2,147,282	840,446	(215,313)
Reported by Component Unit, CEDC	268,143	104,951	(26,887)
	$ 18,670,652	$ 7,307,692	$ (1,872,147)

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the City recognized pension expense of $3,099,413.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Entity-Wide		Primary Government		CEDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 1,374,331	$ -	$ 1,344,917	$ -	$ 29,414	$ -
Changes in actuarial assumptions	-	49,294	-	780,032	-	(730,738)
Difference between projected and actual investment earnings	-	734,891	-	-	-	734,891
Contributions subsequent to the measurement date	1,984,640	-	1,956,137	-	28,503	-
Total	$ 3,358,971	$ 784,185	$ 3,301,054	$ 780,032	$ 57,917	$ 4,153

$1,984,640 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	Entity-Wide	Primary Govt	CEDC
2026	$ 706,953	$ 696,800	$ 10,153
2027	1,081,600	1,066,066	15,534
2028	(787,695)	(776,382)	(11,313)
2029	(410,712)	(404,813)	(5,899)
	$ 590,146	$ 581,671	$ 8,475

Note 8 - Other Post Employment Benefits

Plan Description

The City also participates in a single employer, defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage (Supplemental Death Benefits) for their active members, including or not including retirees. Employers may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The City has elected to participate in the SDBF for its active members including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded single-employer OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for City reporting.

Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of $7,500. As the SDBF covers both active and retiree employees, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan. Texas Local Government Code Section 177.001 assigns the authority to establish and amend benefit provisions to the City Council. At the December 31, 2024, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	78
Inactive employees entitled to but not yet receiving benefits	32
Active employees	189
Total	299

Contributions

The City contributes to the SDBF program at a contractually required rate. An annual actuarial valuation is performed, and the contractual rate is equal to the cost of providing one-year term life insurance. The premium rate is expressed as a percentage of the covered-employee payroll of members employed by the participating employer. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect.

The SDBF program is voluntary and employers can cease participation by adopting an ordinance before November 1 of any year to be effective the following January 1. Therefore, the funding policy of the program is to ensure that adequate resources are available to meet all insurance benefit payments for the upcoming year. It is not the intent of the funding policy to pre-fund retiree term life insurance during employees' entire careers. The City's contribution, which equaled the required contribution, was as follows for the year ended September 30:

	2025
Employer rate	0.23%
Employer contributions	$ 39,545

Actuarial Assumptions

The total OPEB liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%	per year
Overall payroll growth	3.60% to 11.85%	including inflation
Investment rate of return	6.75%	net of pension plan investment, expense, including inflation

Mortality rates for service retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with Scale UMP.

Mortality rates for disabled retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Actuarial assumptions used in the December 31, 2024, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period ended December 31, 2022.

A discount rate of 4.08% was based on the Bond Buyer "20-Bond GO Index" rate closest to, but not later than December 31, 2024.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At September 30, 2025, the City reported a total OPEB liability of $427,301 measured at December 31, 2024. For the year ended September 30, 2025, the City recognized OPEB expense of $18,357.

As of December 31, 2024, the discount rate used in the development of the total OPEB liability was 4.08% compared to 3.77% as of December 31, 2023.

Changes in the total OPEB liability for the measurement year ended December 31, 2024, are as follows:

	Total OPEB Liability		
Changes in Total OPEB Liability	Entity-Wide	Primary Government	CEDC
Balance at December 31, 2023	$ 421,400	$ 417,315	$ 4,085
Changes for the year:			
Service cost	29,291	29,037	254
Interest on total OPEB liability	16,236	16,079	157
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(3,186)	(3,155)	(31)
Effect of assumption changes or inputs	(25,649)	(25,400)	(249)
Benefit payments*	(10,791)	(10,686)	(105)
Balance as of December 31, 2024	$ 427,301	$ 423,190	$ 4,111

*Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Discount Rate Sensitivity Analysis

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.08%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) or 1 percentage point higher (5.08%) than the current rate.

	1% Decrease in Discount Rate (3.08%)	Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
City's total OPEB liability	$ 518,048	$ 427,301	$ 357,040
Reported by Governmental Activities	452,670	373,375	311,981
Reported by Business-Type Activities	60,394	49,815	41,624
Reported by Component Unit, CEDC	4,984	4,111	3,435
	$ 518,048	$ 427,301	$ 357,040

At December 31, 2024, the City reported its deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Entity-Wide		Primary Government		CEDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 25,406	$ -	$ 25,160	$ -	$ 246
Changes in actuarial assumptions	42,563	133,760	41,772	131,630	791	2,130
Contributions subsequent to the measurement date	28,945	-	28,664	-	281	-
Total	$ 71,508	$ 159,166	$ 70,436	$ 156,790	$ 1,072	$ 2,376

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ended September 30, 2026 in the amount of $28,945. The other net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB, excluding contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

Year Ended September 30:	Entity-Wide	Primary Govt	CEDC
2026	$ (30,496)	$ (30,271)	$ (225)
2027	(37,292)	(37,039)	(253)
2028	(41,370)	(41,083)	(287)
2029	(4,265)	(3,908)	(357)
2030	(3,180)	(2,780)	(400)
Thereafter	-	220	(220)
	$ (116,603)	$ (114,861)	$ (1,742)

Note 9 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's risk management program encompasses obtaining workers' compensation and property and liability insurance through Texas Municipal League (TML) Intergovernmental Risk Pool, a public entity risk pool for the benefit of governmental units located within the state. TML Intergovernmental Risk Pool ("Pool") is considered a self-sustaining risk pool that provides coverage for its members. The City's contributions to the Pool are limited to the amount of premiums as calculated at the beginning of each fund year. Premiums reflect the claims experience to date of the City. The Pool's liability is limited to the coverage that the City elects as stated in the Pool's Declarations of Coverage for that fund year.

Note 10 - Commitments and Contingencies

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

Estimated costs to complete significant construction projects in progress at year-end totaled approximately $13,600,000.

Upper Trinity Regional Water District (UTRWD)

On June 26, 1995, the City entered into a 30-year contract with the Upper Trinity Regional Water District (UTRWD) and other participating political entities to develop a regional water system to provide retail utility service throughout Denton County. The contract is in effect for 30 years or for such a period of time that bonds issued by UTRWD for the system remain outstanding, whichever is greater.

The original agreement included a commitment by the City for 2.0 million gallons per day (MGD) of water demand. On February 4, 1999, the contract was amended to increase the City's committed demand to 5.5 MGD. A third amendment, executed on September 2, 1999, further increased the City's water demand commitment to 7.5 MGD in response to continued growth. The City also maintains a separate agreement with UTRWD for wastewater treatment services with a capacity of up to 1.608 MGD.

With a current water demand capacity of 7.5 MGD, the City holds three weighted votes on the UTRWD Board. The City appoints one member to the Board of Directors and one member to the Customer Advisory Committee. Under the terms of the agreements, all participating and contract entities share proportionately in the administrative costs of the District, as well as in the costs associated with planning future programs and services.

Note 11 - Restatement

As of September 30, 2025, the City adopted GASB Statement No. 101, Compensated Absences. The provisions of this standard modernize the types of leave that are considered a compensated absence and provide guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, compensated absences current portion and compensated absences noncurrent portion were decreased by $142,987 and $142,987, respectively, as of October 1, 2024. The effect of this change in accounting principle is described in the table below.

	October 1, 2024, As Previously Reported	Change in Accounting Principle	October 1, 2024, As Restated
Primary Government			
Governmental Activities	$ 59,020,342	$ (142,987)	$ 58,877,355
Business-Type Activities	43,232,146	-	43,232,146
Total Primary Government	$ 102,252,488	$ (142,987)	$ 102,109,501

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REQUIRED SUPPLEMENTARY INFORMATION

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	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property	$ 13,699,493	$ 13,699,493	$ 13,550,864	$ (148,629)
Sales	2,607,128	2,607,128	2,806,094	198,966
Franchise	1,304,450	1,304,450	1,302,144	(2,306)
Utility fees	90,500	90,500	38,515	(51,985)
Traffic fines and forfeitures	671,300	671,300	629,099	(42,201)
Development fees and permits	1,738,460	1,738,460	1,718,180	(20,280)
Police fees and permits	648,090	648,090	821,435	173,345
Parks and recreation fees	86,580	86,580	82,014	(4,566)
Fire services	4,065,995	4,065,995	4,322,048	256,053
Interest income	519,592	519,592	625,488	105,896
Grants	-	-	14,392	14,392
Miscellaneous income	48,000	48,000	114,727	66,727
Charges for services	124,970	124,970	124,970	-
Total revenues	25,604,558	25,604,558	26,149,970	545,412
Expenditures				
Current				
Public safety	14,323,111	15,122,532	14,996,554	125,978
Community services	3,109,383	2,821,029	2,794,456	26,573
Public works	1,596,711	1,406,912	1,390,436	16,476
Planning and community development	1,830,645	1,660,595	1,622,107	38,488
City administration	4,241,122	4,268,108	3,864,865	403,243
Finance and administrative services	1,497,259	1,442,975	1,379,747	63,228
Debt service				
Principal	-	75,098	391,565	(316,467)
Interest	-	-	69,577	(69,577)
Capital outlay	435,729	361,802	711,205	(349,403)
Total expenditures	27,033,960	27,159,051	27,220,512	(61,461)
Excess (Deficiency) of Revenues over (under) Expenditures	(1,429,402)	(1,554,493)	(1,070,542)	483,951
Other Financing Sources (Uses)				
Lease proceeds	-	-	171,677	171,677
Issuance of SBITAs	-	-	125,319	125,319
Transfers out	(1,211,256)	(1,311,256)	(1,311,256)	-
Transfers in	1,653,204	1,653,204	2,294,906	641,702
Total Financing Sources (Uses)	441,948	341,948	1,280,646	938,698
Net Change in Fund Balance	(987,454)	(1,212,545)	210,104	1,422,649
Fund Balance - October 1 (Beginning)	10,575,307	10,575,307	10,575,307	-
Fund Balance - September 30 (Ending)	$ 9,587,853	$ 9,362,762	$ 10,785,411	$ 1,422,649

	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
Total Pension Liability				
Service cost	$ 2,813,436	$ 2,481,835	$ 2,310,175	$ 2,195,301
Interest on total pension liability	4,350,348	3,987,887	3,645,292	3,351,329
Differences between expected and actual experience	1,372,674	712,723	627,730	257,440
Change of assumptions	-	(112,092)	-	-
Benefit payments/refunds of contributions	(2,072,275)	(1,660,454)	(1,526,622)	(1,486,392)
Net change in total pension liability	6,464,183	5,409,899	5,056,575	4,317,678
Total pension liability, beginning	64,079,020	58,669,121	53,612,546	49,294,868
Total pension liability, ending (a)	$ 70,543,203	$ 64,079,020	$ 58,669,121	$ 53,612,546
Fiduciary Net Position				
Contributions - Employer	$ 2,424,952	$ 2,164,911	$ 1,884,823	$ 1,882,874
Contributions - Employee	1,079,126	964,632	879,868	831,553
Net investment income	5,834,091	5,674,428	(3,760,221)	5,799,034
Benefit payments/refunds of contributions	(2,072,275)	(1,660,454)	(1,526,622)	(1,486,392)
Administrative expenses	(37,322)	(36,006)	(32,478)	(26,791)
Other	(874)	(250)	38,755	184
Net change in fiduciary net position	7,227,698	7,107,261	(2,515,875)	7,000,462
Fiduciary net position, beginning	56,007,813	48,900,552	51,416,427	44,415,965
Fiduciary net position, ending (b)	$ 63,235,511	$ 56,007,813	$ 48,900,552	$ 51,416,427
Net pension liability (asset), ending = (a) - (b)	$ 7,307,692	$ 8,071,207	$ 9,768,569	$ 2,196,119
Fiduciary net position as a percentage of total pension liability	89.64%	87.40%	83.35%	95.90%
Covered payroll	$ 15,416,090	$ 13,780,316	$ 12,494,184	$ 11,879,334
Net pension liability as a percentage of covered payroll	47.40%	58.57%	78.18%	18.49%

Note: The information from this schedule corresponds with the period covered as of the Plan's measurement dates of December 31.

Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
$ 2,139,635	$ 1,974,459	$ 1,740,727	$ 1,674,666	$ 1,636,649	$ 1,614,486
3,106,077	2,830,658	2,631,469	2,468,757	2,244,189	2,163,512
(308,779)	51,976	(461,003)	(628,235)	409,560	(356,486)
-	202,141	-	-	-	(252,429)
(1,176,404)	(946,673)	(1,207,565)	(1,067,764)	(897,171)	(783,303)
3,760,529	4,112,561	2,703,628	2,447,424	3,393,227	2,385,780
45,534,339	41,421,778	38,718,150	36,270,726	32,877,499	30,491,719
$ 49,294,868	$ 45,534,339	$ 41,421,778	$ 38,718,150	$ 36,270,726	$ 32,877,499
$ 1,838,580	$ 1,708,397	$ 1,521,211	$ 1,412,999	$ 1,372,064	$ 1,415,503
812,683	754,021	673,954	642,690	650,021	648,976
3,035,308	5,153,390	(999,066)	3,942,063	1,730,262	35,841
(1,176,404)	(946,673)	(1,207,565)	(1,067,764)	(897,171)	(783,303)
(19,611)	(29,078)	(19,289)	(20,406)	(19,521)	(21,823)
(765)	(874)	(1,008)	(1,034)	(1,052)	(1,078)
4,489,791	6,639,183	(31,763)	4,908,548	2,834,603	1,294,116
39,926,174	33,286,991	33,318,754	28,410,206	25,575,603	24,281,487
$ 44,415,965	$ 39,926,174	$ 33,286,991	$ 33,318,754	$ 28,410,206	$ 25,575,603
$ 4,878,903	$ 5,608,165	$ 8,134,787	$ 5,399,396	$ 7,860,520	$ 7,301,896
90.10%	87.68%	80.36%	86.05%	78.33%	77.79%
$ 11,553,105	$ 10,771,734	$ 9,627,913	$ 9,181,285	$ 8,967,939	$ 9,252,068
42.23%	52.06%	84.49%	58.81%	87.65%	78.92%

Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2016	$ 1,380,260	$ 1,380,260	$ -	$ 9,118,563	15.14%
2017	1,400,433	1,400,433	-	8,994,707	15.57%
2018	1,489,711	1,489,711	-	9,428,968	15.80%
2019	1,661,825	1,661,825	-	10,402,206	15.98%
2020	1,842,075	1,842,075	-	11,512,971	16.00%
2021	1,858,514	1,858,514	-	11,721,580	15.86%
2022	1,950,232	1,950,232	-	12,789,899	15.25%
2023	2,102,987	2,102,987	-	13,432,635	15.66%
2024	2,347,915	2,347,915	-	14,930,715	15.73%
2025	2,602,168	2,602,168	-	16,510,707	15.76%

Note: The information from this schedule corresponds with the City's fiscal years ended September 30.

City of Corinth, Texas
Schedule of Changes in Total OPEB Liability and Related Ratios –
Supplemental Death Benefits Plan (Exhibit B-4)
Year Ended September 30, 2025

	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
Total OPEB Liability								
Service cost	$ 29,291	$ 24,805	$ 44,979	$ 41,578	$ 33,504	$ 22,621	$ 22,144	$ 18,363
Interest on total OPEB liability	16,236	15,553	10,757	10,559	11,886	13,334	10,940	10,314
Differences between expected and actual experience	(3,186)	(7,255)	(13,120)	(9,779)	(25,772)	(43,060)	25,487	-
Change of assumptions	(25,649)	22,180	(223,873)	19,951	76,774	76,718	(27,870)	28,959
Benefit payments	(10,791)	(11,024)	(7,497)	(7,128)	(2,311)	(2,154)	(1,926)	(1,836)
Net change in total OPEB liability	5,901	44,259	(188,754)	55,181	94,081	67,459	28,775	55,800
Total OPEB liability, beginning	421,400	377,141	565,895	510,714	416,633	349,174	320,399	264,599
Total OPEB liability, ending	$ 427,301	$ 421,400	$ 377,141	$ 565,895	$ 510,714	$ 416,633	$ 349,174	$ 320,399
Covered-employee payroll	$ 15,416,090	$ 13,780,316	$ 12,494,184	$ 11,879,334	$ 11,553,105	$ 10,771,734	$ 9,627,913	$ 9,181,285
Total OPEB liability as a percentage of covered payroll	2.77%	3.06%	3.02%	4.76%	4.42%	3.87%	3.63%	3.49%

Note: The information from this schedule corresponds with the period covered as of the Plan's measurement dates of December 31. Plan information was unavailable prior to 2017. Ten years will ultimately be displayed.

No assets are accumulated in a trust as defined by GASB 75. Benefits are on a pay-as-you-go basis.

Note A: Net Pension Liability – Texas Municipal Retirement System

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation date	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	10-year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.60% to 11.85%, including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with Scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with Scale UMP.
Notes:	There were no benefit changes during the year.

Note B: Total OPEB Liability – Texas Municipal Retirement System

Summary of actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Discount rate*	4.08%
Salary increases	3.60% to 11.85%, including inflation
Retirees' share- benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rate- service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with Scale UMP.
Mortality rate- disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

* The discount rate was based on the Bond Buyer "20-Bond GO Index" rate closest to, but not later than December 31, 2024.

Note C: Budgetary Process

The official budget was prepared for adoption for the General Fund. The following procedures are followed in establishing the budgetary data reflected in the required supplementary information:

a. Prior to the beginning of the fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
b. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must have been given.
c. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the City Council.
d. Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council.
e. As required by law, such amendments are made before the fact, are reflected in the official minutes of the City Council and are not made after fiscal year end.
f. All budget amendments received appropriate approval.
g. All budget appropriations lapse at year end.

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 6,440,400	$ 2,325,966	$ 8,766,366
Investments	422,059	6,578,793	7,000,852
Receivables (net of allowance)			
Sales taxes	223,159	-	223,159
Accounts	3,500	31,411	34,911
Interest	26,342	21,297	47,639
Miscellaneous	287,572	991,924	1,279,496
Prepaid items	13,500	-	13,500
Total assets	$ 7,416,532	$ 9,949,391	$ 17,365,923
Liabilities			
Accounts payable	$ 14,968	$ 275,106	$ 290,074
Accrued liabilities	67,987	-	67,987
Other liabilities	698,331	45,511	743,842
Unearned revenue	53,002	-	53,002
Total liabilities	834,288	320,617	1,154,905
Deferred Inflows of Resources			
Unavailable revenue	219,616	938,192	1,157,808
Total deferred inflows of resources	219,616	938,192	1,157,808
Fund Balances			
Nonspendable	13,500	-	13,500
Restricted	6,061,426	5,800,278	11,861,704
Committed	287,702	2,890,304	3,178,006
Total fund balances	6,362,628	8,690,582	15,053,210
Total liabilities, deferred inflows of resources and fund balances	$ 7,416,532	$ 9,949,391	$ 17,365,923

City of Corinth, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds (Exhibit C-2)
Year Ended September 30, 2025

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes			
Property	$ 143,674	$ -	$ 143,674
Sales	1,272,060	-	1,272,060
Hotel occupancy tax	129,461	-	129,461
Vehicle	158,590	-	158,590
Escrow and impact fees	1,129,256	-	1,129,256
Traffic fines and forfeitures	67,377	-	67,377
Police fees and permits	56,574	-	56,574
Fire services	-	78,361	78,361
Parks and recreation fees	515,195	-	515,195
Donations	99,196	62,074	161,270
Interest income	317,140	477,037	794,177
Grants	163,027	-	163,027
Miscellaneous income	738,183	308,706	1,046,889
Total revenues	4,789,733	926,178	5,715,911
Expenditures			
Current			
Public safety	977,752	12,141	989,893
Community services	143,736	-	143,736
Public works	494,898	8,100	502,998
City administration	150,381	125,550	275,931
Debt service			
Principal	186,402	342,094	528,496
Interest	7,160	48,116	55,276
Capital outlay	1,178,700	3,736,663	4,915,363
Total expenditures	3,139,029	4,272,664	7,411,693
Excess (Deficiency) of Revenues over (under) Expenditures	1,650,704	(3,346,486)	(1,695,782)
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	58,598	58,598
Issuance of leases	286,184	395,802	681,986
Issuance of SBITAs	19,075	-	19,075
Transfers out	(906,584)	(610,131)	(1,516,715)
Transfers in	85,000	1,674,980	1,759,980
Total Other Financing Sources (Uses)	(516,325)	1,519,249	1,002,924
Net Change in Fund Balance	1,134,379	(1,827,237)	(692,858)
Fund Balance - October 1 (Beginning)	5,228,249	10,517,819	15,746,068
Fund Balance - September 30 (Ending)	$ 6,362,628	$ 8,690,582	$ 15,053,210

	Crime Control & Prevention	Hotel Motel Tax	Keep Corinth Beautiful
Assets			
Cash and cash equivalents	$ 158,175	$ 165,488	$ 34,148
Investments	422,059	-	-
Receivables (net of allowance)			
Sales taxes	113,750	-	-
Accounts	-	-	-
Interest	1,058	583	132
Miscellaneous	-	30,856	-
Prepaid items	-	13,500	-
Total assets	$ 695,042	$ 210,427	$ 34,280
Liabilities			
Accounts payable	$ 10,814	$ -	$ -
Accrued liabilities	-	67,065	-
Other liabilities	-	-	-
Unearned revenue	-	-	-
Total liabilities	10,814	67,065	-
Deferred Inflows of Resources			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
Fund Balances			
Nonspendable	-	13,500	-
Restricted	684,228	129,862	34,280
Committed	-	-	-
Total fund balances	684,228	143,362	34,280
Total liabilities, deferred inflows of resources and fund balances	$ 695,042	$ 210,427	$ 34,280

County Child Safety	Special Revenue	Municipal Court Security	Municipal Court Technology
$ 34,115	$ 340,264	$ 116,851	$ 54,515
-	-	-	-
-	-	-	-
-	3,500	-	-
132	2,436	456	214
26,190	219,616	-	-
-	-	-	-
$ 60,437	$ 565,816	$ 117,307	$ 54,729
$ -	$ -	$ -	$ -
922	-	-	-
-	-	-	-
-	53,002	-	-
922	53,002	-	-
-	219,616	-	-
-	219,616	-	-
-	-	-	-
59,515	5,496	117,307	54,729
-	287,702	-	-
59,515	293,198	117,307	54,729
$ 60,437	$ 565,816	$ 117,307	$ 54,729

(continued on the following page)

	Police Confiscation-State	Parks Development	Community Park Improvement
Assets			
Cash and cash equivalents	$ 25,265	$ 401,285	$ 60,784
Investments	-	-	-
Receivables (net of allowance)			
Sales taxes	-	-	-
Accounts	-	-	-
Interest	98	1,488	236
Miscellaneous	-	-	-
Prepaid items	-	-	-
Total assets	$ 25,363	$ 402,773	$ 61,020
Liabilities			
Accounts payable	$ -	$ -	$ -
Accrued liabilities	-	-	-
Other liabilities	7,172	-	-
Unearned revenue	-	-	-
Total liabilities	7,172	-	-
Deferred Inflows of Resources			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
Fund Balances			
Nonspendable	-	-	-
Restricted	18,191	402,773	61,020
Committed	-	-	-
Total fund balances	18,191	402,773	61,020
Total liabilities, deferred inflows of resources and fund balances	$ 25,363	$ 402,773	$ 61,020

Tree Mitigation	Roadway Impact Fee	Fire District	Broadband Utility
$ 730,145	$ 3,436,887	$ 146,629	$ -
-	-	-	-
-	-	109,409	-
-	-	-	-
2,830	13,319	570	-
-	-	-	-
-	-	-	-
$ 732,975	$ 3,450,206	$ 256,608	$ -
$ -	$ -	$ 482	$ -
-	-	-	-
-	691,159	-	-
-	-	-	-
-	691,159	482	-
-	-	-	-
-	-	-	-
-	-	-	-
732,975	2,759,047	256,126	-
-	-	-	-
732,975	2,759,047	256,126	-
$ 732,975	$ 3,450,206	$ 256,608	$ -

(continued on the following page)

	Reinvestment Zone #2	Short-term Rental Vehicle Tax	Reinvestment Zone #3
Assets			
Cash and cash equivalents	$ 262,558	$ 305,228	$ 153,130
Investments	-	-	-
Receivables (net of allowance)			
Sales taxes	-	-	-
Accounts	-	-	-
Interest	1,017	1,127	593
Miscellaneous	-	10,910	-
Prepaid items	-	-	-
Total assets	$ 263,575	$ 317,265	$ 153,723
Liabilities			
Accounts payable	$ -	$ 3,672	$ -
Accrued liabilities	-	-	-
Other liabilities	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	3,672	-
Deferred Inflows of Resources			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
Fund Balances			
Nonspendable	-	-	-
Restricted	263,575	313,593	153,723
Committed	-	-	-
Total fund balances	263,575	313,593	153,723
Total liabilities, deferred inflows of resources and fund balances	$ 263,575	$ 317,265	$ 153,723

(continued on the following page)

COVID CARES Act Fund	Municipal Court Security and Tech	Total Nonmajor Special Revenue Funds
$ -	$ 14,933	$ 6,440,400
-	-	422,059
-	-	223,159
-	-	3,500
-	53	26,342
-	-	287,572
-	-	13,500
$ -	$ 14,986	$ 7,416,532
$ -	$ -	$ 14,968
-	-	67,987
-	-	698,331
-	-	53,002
-	-	834,288
-	-	219,616
-	-	219,616
-	-	13,500
-	14,986	6,061,426
-	-	287,702
-	14,986	6,362,628
$ -	$ 14,986	$ 7,416,532

(concluded)

	Crime Control & Prevention	Hotel Motel Tax	Keep Corinth Beautiful
Revenues			
Taxes			
Property	$ -	$ -	$ -
Sales	649,973	-	-
Hotel occupancy tax	-	129,461	-
Vehicle	-	-	-
Escrow and impact fees	-	-	-
Traffic fines & forfeitures	-	-	-
Police fees & permits	-	-	-
Parks & recreation fees	-	-	-
Donations	-	-	6,720
Interest income	27,126	6,624	1,528
Grants	-	-	747
Miscellaneous income	19,269	-	-
Total revenues	696,368	136,085	8,995
Expenditures			
Current			
Public safety	392,731	-	-
Community services	-	-	-
Public works	-	-	-
City administration	-	51,738	4,660
Capital outlay	469,785	59,934	-
Debt service			
Principal	122,573	-	-
Interest	768	-	-
Total expenditures	985,857	111,672	4,660
Excess (Deficiency) of Revenues over (under) Expenditures	(289,489)	24,413	4,335
Other Financing Sources (Uses)			
Issuance of leases	286,184	-	-
Issuance of SBITAs	19,075	-	-
Transfers out	(50,000)	-	-
Transfers in	-	-	-
Total Other Financing Sources (Uses)	255,259	-	-
Net Change in Fund Balance	(34,230)	24,413	4,335
Fund Balance - October 1 (Beginning)	718,458	118,949	29,945
Fund Balance - September 30 (Ending)	$ 684,228	$ 143,362	$ 34,280

County Child Safety	Special Revenue	Municipal Court Security	Municipal Court Technology	Police Confiscation-State
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	27,810	13,530	11,178	-
56,574	-	-	-	-
-	-	-	-	-
-	24,826	-	-	-
1,722	25,346	4,864	2,282	776
-	4,890	-	-	-
-	718,914	-	-	-
58,296	801,786	18,394	13,460	776
26,190	87,787	-	-	-
-	32,834	381	14,084	-
-	12,182	-	-	-
-	-	-	-	-
-	-	6,843	-	-
-	-	-	2,028	-
-	-	-	-	-
26,190	132,803	7,224	16,112	-
32,106	668,983	11,170	(2,652)	776
-	-	-	-	-
-	-	-	-	-
-	(691,795)	(25,000)	-	-
-	-	-	-	-
-	(691,795)	(25,000)	-	-
32,106	(22,812)	(13,830)	(2,652)	776
27,409	316,010	131,137	57,381	17,415
$ 59,515	$ 293,198	$ 117,307	$ 54,729	$ 18,191

(continued on the following page)

	Parks Development	Community Park Improvement	Tree Mitigation
Revenues			
Taxes			
Property	$ -	$ -	$ -
Sales	-	-	-
Hotel occupancy tax	-	-	-
Vehicle	-	-	-
Escrow and impact fees	-	-	-
Traffic fines & forfeitures	-	-	-
Police fees & permits	-	-	-
Parks & recreation fees	-	13,970	501,225
Donations	67,650	-	-
Interest income	19,003	2,450	37,391
Grants	-	-	-
Miscellaneous income	-	-	-
Total revenues	86,653	16,420	538,616
Expenditures			
Current			
Public safety	-	-	-
Community services	-	-	96,437
Public works	-	-	-
City administration	-	-	-
Capital outlay	132,230	-	172,227
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	132,230	-	268,664
Excess (Deficiency) of Revenues over Expenditures	(45,577)	16,420	269,952
Other Financing Sources (Uses)			
Issuance of leases	-	-	-
Issuance of SBITAs	-	-	-
Transfers out	-	-	-
Transfers in	85,000	-	-
Total Other Financing Sources (Uses)	85,000	-	-
Net Change in Fund Balance	39,423	16,420	269,952
Fund Balance - October 1 (Beginning)	363,350	44,600	463,023
Fund Balance - September 30 (Ending)	$ 402,773	$ 61,020	$ 732,975

Roadway Impact Fee	Fire District	Broadband Utility	Reinvestment Zone #2	Short-term Rental Vehicle Tax
$ -	$ -	$ -	$ 86,611	$ -
-	622,087	-	-	-
-	-	-	-	-
-	-	-	-	158,590
1,129,256	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
146,685	7,846	-	9,641	11,550
-	-	-	-	-
-	-	-	-	-
1,275,941	629,933	-	96,252	170,140
-	471,044	-	-	-
-	-	-	-	-
482,716	-	-	-	-
-	-	-	-	93,983
-	7,419	-	-	-
-	61,801	-	-	-
-	6,392	-	-	-
482,716	546,656	-	-	93,983
793,225	83,277	-	96,252	76,157
-	-	-	-	-
-	-	-	-	-
-	-	(139,789)	-	-
-	-	-	-	-
-	-	(139,789)	-	-
793,225	83,277	(139,789)	96,252	76,157
1,965,822	172,849	139,789	167,323	237,436
$ 2,759,047	$ 256,126	$ -	$ 263,575	$ 313,593

City of Corinth, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Exhibit C-4)
Year Ended September 30, 2025

	Reinvestment Zone #3	COVID CARES Act Fund	Municipal Court Security and Tech	Total Nonmajor Special Revenue Funds
Revenues				
Taxes				
Property	$ 57,063	$ -	$ -	$ 143,674
Sales	-	-	-	1,272,060
Hotel occupancy tax	-	-	-	129,461
Vehicle	-	-	-	158,590
Escrow and impact fees	-	-	-	1,129,256
Traffic fines & forfeitures	-	-	14,859	67,377
Police fees & permits	-	-	-	56,574
Parks & recreation fees	-	-	-	515,195
Donations	-	-	-	99,196
Interest income	5,510	6,669	127	317,140
Grants	-	157,390	-	163,027
Miscellaneous income	-	-	-	738,183
Total revenues	62,573	164,059	14,986	4,789,733
Expenditures				
Current				
Public safety	-	-	-	977,752
Community services	-	-	-	143,736
Public works	-	-	-	494,898
City administration	-	-	-	150,381
Capital outlay	-	330,262	-	1,178,700
Debt service				
Principal	-	-	-	186,402
Interest	-	-	-	7,160
Total expenditures	-	330,262	-	3,139,029
Excess (Deficiency) of Revenues over Expenditures	62,573	(166,203)	14,986	1,650,704
Other Financing Sources (Uses)				
Issuance of leases	-	-	-	286,184
Issuance of SBITAs	-	-	-	19,075
Transfers out	-	-	-	(906,584)
Transfers in	-	-	-	85,000
Total Other Financing Sources (Uses)	-	-	-	(516,325)
Net Change in Fund Balance	62,573	(166,203)	14,986	1,134,379
Fund Balance - October 1 (Beginning)	91,150	166,203	-	5,228,249
Fund Balance - September 30 (Ending)	$ 153,723	$ -	$ 14,986	$ 6,362,628

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes				
Sales	$ 598,255	$ 598,255	$ 649,973	$ 51,718
Interest income	39,500	39,500	27,126	(12,374)
Miscellaneous income	-	-	19,269	19,269
Total revenues	637,755	637,755	696,368	58,613
Expenditures				
Current				
Public safety	554,035	428,960	392,731	36,229
Capital outlay	148,906	165,760	469,785	(304,025)
Debt service				
Principal	-	108,221	122,573	(14,352)
Interest	-	-	768	(768)
Total expenditures	702,941	702,941	985,857	(282,916)
Excess (Deficiency) of Revenues over (under) Expenditures	(65,186)	(65,186)	(289,489)	(224,303)
Other Financing Sources (Uses)				
Issuance of leases	-	-	286,184	286,184
Issuance of SBITAs	-	-	19,075	19,075
Transfers out	(50,000)	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	(50,000)	(50,000)	255,259	305,259
Net Change in Fund Balance	(115,186)	(115,186)	(34,230)	80,956
Fund Balance - October 1 (Beginning)	718,458	718,458	718,458	-
Fund Balance - September 30 (Ending)	$ 603,272	$ 603,272	$ 684,228	$ 80,956

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes				
Hotel occupancy tax	$ 120,000	$ 120,000	$ 129,461	$ 9,461
Interest income	15,000	15,000	6,624	(8,376)
Total revenues	135,000	135,000	136,085	1,085
Expenditures				
Current				
City administration	62,000	62,000	51,738	10,262
Capital outlay	75,000	75,000	59,934	15,066
Total expenditures	137,000	137,000	111,672	25,328
Net Change in Fund Balance	(2,000)	(2,000)	24,413	26,413
Fund Balance - October 1 (Beginning)	118,949	118,949	118,949	-
Fund Balance - September 30 (Ending)	$ 116,949	$ 116,949	$ 143,362	$ 26,413

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Donations	$ 5,000	$ 5,000	$ 6,720	$ 1,720
Interest income	1,600	1,600	1,528	(72)
Grants	-	-	747	747
Total revenues	6,600	6,600	8,995	2,395
Expenditures				
Current				
City administration	9,955	9,955	4,660	5,295
Total expenditures	9,955	9,955	4,660	5,295
Net Change in Fund Balance	(3,355)	(3,355)	4,335	7,690
Fund Balance - October 1 (Beginning)	29,945	29,945	29,945	-
Fund Balance - September 30 (Ending)	$ 26,590	$ 26,590	$ 34,280	$ 7,690

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Police fees and permits	$ 33,000	$ 33,000	$ 56,574	$ 23,574
Interest income	2,000	2,000	1,722	(278)
Total revenues	35,000	35,000	58,296	23,296
Expenditures				
Current				
Public safety	31,126	31,126	26,190	4,936
Total expenditures	31,126	31,126	26,190	4,936
Net Change in Fund Balance	3,874	3,874	32,106	28,232
Fund Balance - October 1 (Beginning)	27,409	27,409	27,409	-
Fund Balance - September 30 (Ending)	$ 31,283	$ 31,283	$ 59,515	$ 28,232

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Traffic fines and forfeitures	$ 19,500	$ 19,500	$ 13,530	$ (5,970)
Interest income	5,750	5,750	4,864	(886)
Total revenues	25,250	25,250	18,394	(6,856)
Expenditures				
Current				
Community services	10,000	3,156	381	2,775
Capital outlay	-	6,844	6,843	1
Total expenditures	10,000	10,000	7,224	2,776
Excess (Deficiency) of Revenues over Expenditures	15,250	15,250	11,170	(4,080)
Other Financing Sources (Uses)				
Transfers out	(25,000)	(25,000)	(25,000)	-
Total Other Financing Sources (Uses)	(25,000)	(25,000)	(25,000)	-
Net Change in Fund Balance	(9,750)	(9,750)	(13,830)	(4,080)
Fund Balance - October 1 (Beginning)	131,137	131,137	131,137	-
Fund Balance - September 30 (Ending)	$ 121,387	$ 121,387	$ 117,307	$ (4,080)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Traffic fines and forfeitures	$ 15,500	$ 15,500	$ 11,178	$ (4,322)
Interest income	2,500	2,500	2,282	(218)
Total revenues	18,000	18,000	13,460	(4,540)
Expenditures				
Current				
Community services	20,879	18,050	14,084	3,966
Debt service				
Principal	-	2,829	2,028	801
Total expenditures	20,879	20,879	16,112	4,767
Net Change in Fund Balance	(2,879)	(2,879)	(2,652)	227
Fund Balance -				
October 1 (Beginning)	57,381	57,381	57,381	-
Fund Balance -				
September 30 (Ending)	$ 54,502	$ 54,502	$ 54,729	$ 227

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Interest income	$ 700	$ 700	$ 776	$ 76
Miscellaneous income	10,300	10,300	-	(10,300)
Total revenues	11,000	11,000	776	(10,224)
Expenditures				
Current				
Public safety	11,000	11,000	-	11,000
Total expenditures	11,000	11,000	-	11,000
Net Change in Fund Balance	-	-	776	776
Fund Balance - October 1 (Beginning)	17,415	17,415	17,415	-
Fund Balance - September 30 (Ending)	$ 17,415	$ 17,415	$ 18,191	$ 776

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Donations	$ -	$ -	$ 67,650	$ 67,650
Interest income	15,100	15,100	19,003	3,903
Total revenues	15,100	15,100	86,653	71,553
Expenditures				
Current				
Capital outlay	153,000	153,000	132,230	20,770
Total expenditures	153,000	153,000	132,230	20,770
Excess (Deficiency) of Revenues over Expenditures	(137,900)	(137,900)	(45,577)	92,323
Other Financing Sources (Uses)				
Transfers in	85,000	85,000	85,000	-
Total Other Financing Sources (Uses)	85,000	85,000	85,000	-
Net Change in Fund Balance	(52,900)	(52,900)	39,423	92,323
Fund Balance - October 1 (Beginning)	363,350	363,350	363,350	-
Fund Balance - September 30 (Ending)	$ 310,450	$ 310,450	$ 402,773	$ 92,323

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Parks and recreation fees	$ 10,500	$ 10,500	$ 13,970	$ 3,470
Interest income	2,200	2,200	2,450	250
Total revenues	12,700	12,700	16,420	3,720
Expenditures				
Current				
Community services	-	-	-	-
Total expenditures	-	-	-	-
Net Change in Fund Balance	12,700	12,700	16,420	3,720
Fund Balance - October 1 (Beginning)	44,600	44,600	44,600	-
Fund Balance - September 30 (Ending)	$ 57,300	$ 57,300	$ 61,020	$ 3,720

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Parks & recreation fees	$ -	$ -	$ 501,225	$ 501,225
Interest income	25,000	25,000	37,391	12,391
Total revenues	25,000	25,000	538,616	513,616
Expenditures				
Current				
Community services	315,000	189,097	96,437	92,660
Capital Outlay	-	175,903	172,227	3,676
Total expenditures	315,000	365,000	268,664	96,336
Net Change in Fund Balance	(290,000)	(340,000)	269,952	609,952
Fund Balance - October 1 (Beginning)	463,023	463,023	463,023	-
Fund Balance - September 30 (Ending)	$ 173,023	$ 123,023	$ 732,975	$ 609,952

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Escrow and impact fees	$ -	$ -	$ 1,129,256	$ 1,129,256
Interest income	70,885	70,885	146,685	75,800
Total revenues	70,885	70,885	1,275,941	1,205,056
Expenditures				
Public works	-	482,716	482,716	-
Total expenditures	-	482,716	482,716	-
Net Change in Fund Balance	70,885	(411,831)	793,225	1,205,056
Fund Balance - October 1 (Beginning)	1,965,822	1,965,822	1,965,822	-
Fund Balance - September 30 (Ending)	$ 2,036,707	$ 1,553,991	$ 2,759,047	$ 1,205,056

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Sales	$ 574,304	$ 574,304	$ 622,087	$ 47,783
Interest income	17,000	17,000	7,846	(9,154)
Total revenues	591,304	591,304	629,933	38,629
Expenditures				
Current				
Public safety	519,726	512,813	471,044	41,769
Capital outlay	-	6,913	7,419	(506)
Principal	63,083	63,083	61,801	1,282
Interest	6,392	6,392	6,392	-
Total expenditures	589,201	589,201	546,656	42,545
Net Change in Fund Balance	2,103	2,103	83,277	81,174
Fund Balance - October 1 (Beginning)	172,849	172,849	172,849	-
Fund Balance - September 30 (Ending)	$ 174,952	$ 174,952	$ 256,126	$ 81,174

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes				
Franchise	$ -	$ -	$ -	$ -
Interest income	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
City administration	-	-	-	-
Total expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Transfers out	(162,834)	(162,834)	(139,789)	23,045
Total Other Financing Sources (Uses)	(162,834)	(162,834)	(139,789)	23,045
Net Change in Fund Balance	(162,834)	(162,834)	(139,789)	23,045
Fund Balance - October 1 (Beginning)	139,789	139,789	139,789	-
Fund Balance - September 30 (Ending)	$ (23,045)	$ (23,045)	$ -	$ 23,045

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes				
Property	$ 86,611	$ 86,611	$ 86,611	$ -
Interest income	10,000	10,000	9,641	(359)
Total revenues	96,611	96,611	96,252	(359)
Expenditures				
Current				
City administration	-	-	-	-
Total expenditures	-	-	-	-
Net Change in Fund Balance	96,611	96,611	96,252	(359)
Fund Balance - October 1 (Beginning)	167,323	167,323	167,323	-
Fund Balance - September 30 (Ending)	$ 263,934	$ 263,934	$ 263,575	$ (359)

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes				
Vehicle	$ 154,000	$ 154,000	$ 158,590	$ 4,590
Interest income	12,500	12,500	11,550	(950)
Total revenues	166,500	166,500	170,140	3,640
Expenditures				
Current				
City administration	167,370	151,370	93,983	57,387
Capital outlay	-	16,000	-	16,000
Total expenditures	167,370	167,370	93,983	73,387
Net Change in Fund Balance	(870)	(870)	76,157	77,027
Fund Balance - October 1 (Beginning)	237,436	237,436	237,436	-
Fund Balance - September 30 (Ending)	$ 236,566	$ 236,566	$ 313,593	$ 77,027

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes				
Property	$ 57,063	$ 57,063	$ 57,063	$ -
Interest income	7,500	7,500	5,510	(1,990)
Total revenues	64,563	64,563	62,573	(1,990)
Expenditures				
Current				
City administration	-	-	-	-
Total expenditures	-	-	-	-
Net Change in Fund Balance	64,563	64,563	62,573	(1,990)
Fund Balance - October 1 (Beginning)	91,150	91,150	91,150	-
Fund Balance - September 30 (Ending)	$ 155,713	$ 155,713	$ 153,723	$ (1,990)

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes				
Property	$ 5,040,960	$ 5,040,960	$ 5,006,204	$ (34,756)
Interest Income	-	-	79,198	79,198
Miscellaneous	431,685	431,685	431,685	-
Total revenues	5,472,645	5,472,645	5,517,087	44,442
Expenditures				
Debt Service:				
Principal	3,539,904	3,539,904	3,539,878	26
Interest	1,875,616	1,875,616	1,775,631	99,985
Bond fees	10,000	10,000	3,100	6,900
Capital outlay	-	-	-	-
Total expenditures	5,425,520	5,425,520	5,318,609	106,911
Excess (Deficiency) of Revenues over Expenditures	47,125	47,125	198,478	151,353
Other Financing Sources (Uses)				
Issuance of leases	-	-	-	-
Payments to bond Transfers out	(472,617)	(472,617)	(477,674)	(5,057)
Transfers in	-	-	23,211	23,211
Total Other Financing Sources (Uses)	(472,617)	(472,617)	(454,463)	18,154
Net Change in Fund Balance	(425,492)	(425,492)	(255,985)	169,507
Fund Balance - October 1 (Beginning)	1,128,703	1,128,703	1,128,703	-
Fund Balance - September 30 (Ending)	$ 703,211	$ 703,211	$ 872,718	$ 169,507

	Governmental Capital Projects	Vehicle Replacement	LCFD Vehicle and Equipment Replacement	Tech Equipment Replacement
Assets				
Cash and cash equivalents	$ 316,236	$ 466,611	$ 127,330	$ 1,085,653
Investments	891,497	-	-	-
Receivables (net of allowance)				
Accounts	31,411	-	-	-
Interest	1,226	3,727	491	4,207
Miscellaneous	49,014	12,554	-	-
Total assets	$ 1,289,384	$ 482,892	$ 127,821	$ 1,089,860
Liabilities				
Accounts payable	$ 44,362	$ -	$ 30,405	$ 5,397
Other liabilities	45,511	-	-	-
Total liabilities	89,873	-	30,405	5,397
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances				
Restricted	-	-	-	-
Committed	1,199,511	482,892	97,416	1,084,463
Total fund balances	1,199,511	482,892	97,416	1,084,463
Total Liabilities, Deferred Inflows and Fund Balances	$ 1,289,384	$ 482,892	$ 127,821	$ 1,089,860

2016 CO Fund	2019 CO Fund	2020 CO Fund	2021A CO Fund	LCFD Public Property	Total Nonmajor Capital Projects Funds
$ 149,465	$ 121,263	$ 33,486	$ -	$ 25,922	$ 2,325,966
1,915,706	2,468,705	1,302,885	-	-	6,578,793
-	-	-	-	-	31,411
7,232	-	4,314	-	100	21,297
-	930,356	-	-	-	991,924
$ 2,072,403	$ 3,520,324	$ 1,340,685	$ -	$ 26,022	$ 9,949,391
$ -	$ -	$ 194,942	$ -	$ -	$ 275,106
-	-	-	-	-	45,511
-	-	194,942	-	-	320,617
-	938,192	-	-	-	938,192
-	938,192	-	-	-	938,192
2,072,403	2,582,132	1,145,743	-	-	5,800,278
-	-	-	-	26,022	2,890,304
2,072,403	2,582,132	1,145,743	-	26,022	8,690,582
$ 2,072,403	$ 3,520,324	$ 1,340,685	$ -	$ 26,022	$ 9,949,391

	Governmental Capital Projects	Vehicle Replacement	LCFD Vehicle and Equipment Replacement	Tech Equipment Replacement
Revenues				
Escrow and impact fees	$ -	$ -	$ -	$ -
Fire services	78,361	-	-	-
Donations	60,000	-	-	2,074
Interest income	59,019	20,528	6,992	49,596
Miscellaneous	308,706	-	-	-
Total revenues	506,086	20,528	6,992	51,670
Expenditures				
Current				
Public safety	12,141	-	-	-
Public works	8,100	-	-	-
City administration	-	-	-	125,550
Debt service				
Principal	-	-	342,094	-
Interest	-	-	48,116	-
Capital outlay	774,287	285,689	267,778	79,165
Total expenditures	794,528	285,689	657,988	204,715
Excess (Deficiency) of Revenues over (under) Expenditures	(288,442)	(265,161)	(650,996)	(153,045)
Other Financing Sources (Uses)				
Issuance of leases	-	173,935	221,867	-
Proceeds from sale of capital assets	-	54,602	3,376	620
Transfers out	(88,481)	-	-	-
Transfers in	290,000	70,000	404,412	323,647
Total Other Financing Sources (Uses)	201,519	298,537	629,655	324,267
Net Change in Fund Balance	(86,923)	33,376	(21,341)	171,222
Fund Balance - October 1 (Beginning)	1,286,434	449,516	118,757	913,241
Fund Balance - September 30 (Ending)	$ 1,199,511	$ 482,892	$ 97,416	$ 1,084,463

2016 CO Fund	2019 CO Fund	2020 CO Fund	2021A CO Fund	LCFD Public Property	Total Nonmajor Capital Projects Funds
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	78,361
-	-	-	-	-	62,074
88,789	178,673	68,788	3,553	1,099	477,037
-	-	-	-	-	308,706
88,789	178,673	68,788	3,553	1,099	926,178
-	-	-	-	-	12,141
-	-	-	-	-	8,100
-	-	-	-	-	125,550
-	-	-	-	-	342,094
-	-	-	-	-	48,116
-	1,890,915	393,626	45,203	-	3,736,663
-	1,890,915	393,626	45,203	-	4,272,664
88,789	(1,712,242)	(324,838)	(41,650)	1,099	(3,346,486)
-	-	-	-	-	395,802
-	-	-	-	-	58,598
-	(136,676)	(316,760)	(68,214)	-	(610,131)
-	586,921	-	-	-	1,674,980
-	450,245	(316,760)	(68,214)	-	1,519,249
88,789	(1,261,997)	(641,598)	(109,864)	1,099	(1,827,237)
1,983,614	3,844,129	1,787,341	109,864	24,923	10,517,819
$ 2,072,403	$ 2,582,132	$ 1,145,743	$ -	$ 26,022	$ 8,690,582

	Corinth Economic Development Corporation	Corinth Economic Development Foundation	Total Discretely Presented Component Units
Assets			
Cash and cash equivalents	$ 1,325,394	$ -	$ 1,325,394
Investments	814,295	-	814,295
Receivables (net of allowance)			
Sales taxes	237,729	-	237,729
Interest	3,810	-	3,810
Total assets	$ 2,381,228	$ -	$ 2,381,228
Liabilities			
Accounts payable	$ 3,573	$ -	$ 3,573
Total liabilities	3,573	-	3,573
Fund Balances			
Restricted for economic development	2,377,655	-	2,377,655
Total fund balances	2,377,655	-	2,377,655
Total liabilities and fund balances	$ 2,381,228	$ -	$ 2,381,228

	Corinth Economic Development Corporation	Corinth Economic Development Foundation
Total Fund Balances - Component Units (CU)	$ 2,377,655	$ -
Amounts reported for CU in the statement of net position are different because:		
Capital assets used in CU are not current financial resources and therefore are not reported in the balance sheet.	4,575,099	1,081,218
Included in liabilities is the recognition of the CU's net pension liability in the amount of $104,951, a deferred inflow of resources of $4,153 and a deferred outflow of resources of $57,917. This results in a decrease in net position.	(51,187)	-
Included in liabilities is the recognition of the CU's total OPEB liability in the amount of $4,111, a deferred inflow of resources of $2,376, and a deferred outflow of resources of $1,072. This results in a decrease in net position.	(5,415)	-
Net Position of Component Units	$ 6,896,152	$ 1,081,218

	Corinth Economic Development Corporation	Corinth Economic Development Foundation	Total Discretely Presented Component Units
Revenues			
Taxes			
Sales	$ 1,389,529	$ -	$ 1,389,529
Interest income	79,655	-	79,655
Total revenues	1,469,184	-	1,469,184
Expenditures			
Current			
Planning and community development	682,082	-	682,082
Capital outlay	1,528,182	-	1,528,182
Total expenditures	2,210,264	-	2,210,264
Net Change in Fund Balance	(741,080)	-	(741,080)
Fund Balance - October 1 (Beginning)	3,118,735	-	3,118,735
Fund Balance - September 30 (Ending)	$ 2,377,655	$ -	$ 2,377,655

City of Corinth, Texas
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Component Units to the Statement of Activities (Exhibit C-27)
Year Ended September 30, 2025

	Corinth Economic Development Corporation	Corinth Economic Development Foundation
Net Change in Fund Balances - Component Units (CU)	$ (741,080)	$ -
Amounts reported for CU in the statement of activities are different because:		
The value of assets purchased increases net position.	1,528,182	-
Certain pension expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of $8,622. CU's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and CU's pension expense must be recognized. These cause the change in net position to decrease in the amount of $10,784.	(2,162)	-
Certain OPEB expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of $126. CU's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and CU's OPEB expense must be recognized. These cause the change in net position to decrease in the amount of $168.	(42)	-
Change in Net Position of Component Units	$ 784,898	$ -

CORINTH
TEXAS

STATISTICAL SECTION

CITY OF CORINTH, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

Governmental Activities	**2016**	**2017**	**2018**
Net Investment in Capital Assets	$ 35,967,465	$ 35,025,019	$ 35,039,143
Restricted	1,759,359	2,600,794	2,830,975
Unrestricted	1,817,109	3,328,479	3,038,070
Total Governmental Activities Net Position	$ 39,543,933	$ 40,954,292	$ 40,908,188
Business-type Activities			
Net Investment in Capital Assets	$ 21,537,921	$ 21,633,740	$ 23,453,132
Restricted	647,502	1,127,099	1,295,181
Unrestricted	4,285,029	5,523,850	5,059,830
Total Business-Type Activities Net Position	$ 26,470,452	$ 28,284,689	$ 29,808,143
Primary Government			
Net Investment in Capital Assets	$ 57,505,386	$ 56,658,759	$ 58,492,275
Restricted	2,406,861	3,727,893	4,126,156
Unrestricted	6,102,138	8,852,329	8,097,900
Total Primary Government Net Position	$ 66,014,385	$ 69,238,981	$ 70,716,331

Note:
Governmental Activities:
2023 restated for correction of an error

Business-type Activities:
2023 restated for correction of an error

TABLE D-1

2019	2020	2021	2022	2023	2024	2025
$ 33,452,733	$ 34,592,990	$ 33,285,776	$ 35,071,832	$ 39,606,854	$ 44,013,068	$ 45,454,827
3,031,918	3,314,583	4,223,592	4,052,217	3,684,712	6,079,418	6,782,755
3,584,935	4,478,248	3,676,730	5,394,533	7,673,600	8,927,856	10,759,500
$ 40,069,586	$ 42,385,821	$ 41,186,098	$ 44,518,582	$ 50,965,166	$ 59,020,342	$ 62,997,082
$ 24,556,072	$ 23,942,064	$ 23,198,149	$ 24,050,367	$ 27,843,511	$ 30,243,771	$ 26,388,060
1,162,172	792,236	1,183,413	1,779,473	2,126,127	3,343,113	3,646,975
5,471,344	5,572,010	7,217,532	9,241,833	9,424,562	9,645,262	9,934,871
$ 31,189,588	$ 30,306,310	$ 31,599,094	$ 35,071,673	$ 39,394,200	$ 43,232,146	$ 39,969,906
$ 58,008,805	$ 58,535,054	$ 56,483,925	$ 59,122,199	$ 67,450,365	$ 74,256,839	$ 71,842,887
4,194,090	4,106,819	5,407,005	5,831,690	5,810,839	9,422,531	10,429,730
9,056,279	10,050,258	10,894,262	14,636,366	17,098,162	18,573,118	20,694,371
$ 71,259,174	$ 72,692,131	$ 72,785,192	$ 79,590,255	$ 90,359,366	$ 102,252,488	$ 102,966,988

CITY OF CORINTH, TEXAS
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Expenses	**2016**	**2017**	**2018**	**2019**
Governmental Activities:				
Public Safety	$ 9,331,392	$ 10,464,824	$ 12,945,976	$ 13,272,969
Community Services	1,734,299	1,533,030	1,511,542	1,445,580
Public Works	4,471,115	4,534,197	1,595,297	2,915,701
Planning & Community Development	1,013,413	857,360	1,034,510	1,169,750
City Administration	2,032,778	1,940,255	2,128,443	2,660,731
Finance and Administrative Services	878,384	888,324	886,880	1,026,613
Interest on Long-Term Debt	747,838	844,665	828,591	1,201,636
Total Governmental Activities Expenses	20,209,219	21,062,655	20,931,239	23,692,980
Business-Type Activities:				
Water and sewer	12,157,058	12,098,839	12,342,091	12,540,351
Storm drainage	525,740	517,412	560,241	664,736
Total Business-Type Activities Expenses	12,682,798	12,616,251	12,902,332	13,205,087
Total Primary Government Expenses	$ 32,892,017	$ 33,678,906	$ 33,833,571	$ 36,898,067
Program Revenues				
Governmental Activities:				
Charges for Services:				
Public Safety	$ 3,960,494	$ 3,934,109	$ 3,351,543	$ 4,557,446
Community Services	206,560	210,498	234,622	353,124
Public Works	59,205	156,559	207,711	554,556
Planning & Community Development	540,906	1,200,712	749,678	475,134
City Administration	105,401	93,302	83,042	54,317
Operating Grants & Contributions	189,114	97,506	277,286	370,016
Capital Grants & Contributions	332,872	1,630,239	1,266,428	810,401
Total Governmental Activities Program	5,394,552	7,322,925	6,170,310	7,174,994
Business-Type Activities:				
Charges for Services:				
Water & Wastewater	11,047,722	11,332,588	13,152,059	12,250,426
Storm Water Utility	703,783	727,197	719,458	727,497
Operating Grants & Contributions	-	-	-	-
Capital Grants & Contributions	1,448,393	2,997,195	937,813	1,320,436
Total Business-Type Activities Program	13,199,898	15,056,980	14,809,330	14,298,359
Total Primary Government Program	$ 18,594,450	$ 22,379,905	$ 20,979,640	$ 21,473,353
Net (Expense)/Revenue				
Governmental Activities	$ (14,814,667)	$ (13,739,730)	$ (14,760,929)	$ (16,517,986)
Business-Type Activities	517,100	2,440,729	1,906,998	1,093,272
Total Primary Government Net Expense	$ (14,297,567)	$ (11,299,001)	$ (12,853,931)	$ (15,424,714)

Note:
2023 restated for correction of an error

TABLE D-2

2020	2021	2022	2023	2024	2025
$ 11,917,879	$ 12,059,685	$ 12,229,945	$ 14,880,320	$ 13,915,501	$ 17,721,483
1,612,246	2,062,111	2,172,726	2,584,004	3,331,212	3,188,752
4,425,877	4,076,489	5,273,963	5,217,679	6,009,414	5,737,449
1,229,618	1,041,345	864,967	1,190,610	1,411,969	1,667,151
2,592,272	5,612,646	4,482,255	3,693,108	4,192,822	4,677,145
1,105,611	987,844	1,192,590	1,355,623	1,102,641	1,370,932
1,126,076	1,886,621	1,338,507	986,950	1,535,440	1,539,083
24,009,579	27,726,741	27,554,953	29,908,294	31,498,999	35,901,995
13,227,342	13,184,689	14,129,665	15,606,723	16,839,383	21,606,046
678,058	665,081	660,768	807,480	931,097	1,332,756
13,905,400	13,849,770	14,790,433	16,414,203	17,770,480	22,938,802
$ 37,914,979	$ 41,576,511	$ 42,345,386	$ 46,322,497	$ 49,269,479	$ 58,840,797
$ 3,533,674	$ 3,991,353	$ 5,090,198	$ 5,906,447	$ 4,877,629	$ 7,087,302
102,516	261,673	217,686	109,498	117,312	124,970
203,658	211,992	248,416	170,717	1,989,982	1,129,256
664,502	671,772	1,096,154	1,181,641	3,203,020	1,718,180
100,472	130,063	97,337	50,420	5,478	38,515
1,528,396	713,760	802,798	516,860	642,661	592,955
1,258,616	1,437,849	3,426,005	3,604,757	2,114,118	1,335,227
7,391,834	7,418,462	10,978,594	11,540,340	12,950,200	12,026,405
12,662,764	14,020,111	15,360,377	16,482,889	16,563,402	17,699,778
737,609	731,067	846,546	788,106	769,255	820,251
-	50,935	10,187	-	-	-
1,073,307	975,552	2,565,707	3,234,903	3,466,211	930,584
14,473,680	15,777,665	18,782,817	20,505,898	20,798,868	19,450,613
$ 21,865,514	$ 23,196,127	$ 29,761,411	$ 32,046,238	$ 33,749,068	$ 31,477,018
$ (16,617,745)	$ (20,308,279)	$ (16,576,359)	$ (18,367,954)	$ (18,548,799)	$ (23,875,590)
568,280	1,927,895	3,992,384	4,091,695	3,028,388	(3,488,189)
$ (16,049,465)	$ (18,380,384)	$ (12,583,975)	$ (14,276,259)	$ (15,520,411)	$ (27,363,779)

CITY OF CORINTH, TEXAS

GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

Net (Expense)/Revenue	**2016**	**2017**	**2018**	**2019**
Governmental Activities	$ (14,814,667)	$ (13,739,730)	$ (14,760,929)	$ (16,517,986)
Business-Type Activities	517,100	2,440,729	1,906,998	1,093,272
Total Primary Government Net Expense	(14,297,567)	(11,299,001)	(12,853,931)	(15,424,714)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes				
Property Taxes	9,663,535	10,629,143	10,587,532	11,514,505
Sales Taxes	2,023,059	2,253,805	2,370,316	2,463,471
Franchise Taxes	1,068,910	1,073,789	1,120,653	1,083,553
Hotel Occupancy Tax	79,007	77,673	61,181	82,835
Vehicle Tax	-	-	-	-
Other income	237,674	204,231	251,014	(806)
Investment income	87,433	228,971	57,042	455,456
Gain (Loss) on sale of Capital Assets	43,222	3,497	94,205	-
Transfers	1,159,074	678,980	498,018	80,370
Total Governmental Activities	14,361,914	15,150,089	15,039,961	15,679,384
Business-Type Activities:				
Other income	4,741	7,600	94,664	28,674
Investment income	26,328	43,692	6,748	263,798
Gain (Loss) on sale of Capital Assets	9,768	1,196	42,141	76,071
Transfers	(1,159,074)	(678,980)	(498,018)	(80,370)
Total Business-Type Activities	(1,118,237)	(626,492)	(354,465)	288,173
Total Primary Government	13,243,677	14,523,597	14,685,496	15,967,557
Change in Net Position				
Governmental Activities	(452,753)	1,410,359	279,032	(838,602)
Business-Type Activities	(601,137)	1,814,237	1,552,533	1,381,445
Total Primary Government	$ (1,053,890)	$ 3,224,596	$ 1,831,565	$ 542,843

Note:
Hotel Occupancy Tax was reported previously in the Sales Tax category.
This information is presented using the accrual basis of accounting.
2023 restated for correction of an error

TABLE D-3

2020	2021	2022	2023	2024	2025
$ (16,617,745)	$ (20,308,279)	$ (16,576,359)	$ (18,367,954)	$ (18,548,799)	$ (23,875,590)
568,280	1,927,895	3,992,384	4,091,695	3,028,388	(3,488,189)
(16,049,465)	(18,380,384)	(12,583,975)	(14,276,259)	(15,520,411)	(27,363,779)
12,974,859	14,134,421	14,683,023	16,033,365	17,454,780	18,820,084
2,635,407	2,743,610	3,091,696	3,425,043	3,724,346	4,078,154
1,195,130	1,048,013	1,283,833	1,217,973	1,213,743	1,261,367
71,707	77,878	109,825	119,539	119,586	129,461
-	577	42,361	147,926	165,681	158,590
10,436	23,831	98,336	1,735,720	2,138,192	969,535
335,182	104,170	(53,482)	1,787,287	1,507,312	1,805,674
54,204	199,726	40,314	56,350	-	-
1,657,055	776,330	612,937	291,335	280,335	772,452
18,933,980	19,108,556	19,908,843	24,814,538	26,603,975	27,995,317
1,269	3,038	23,058	26,075	1,079,140	684
203,839	44,066	70,074	476,066	10,753	997,717
389	94,115	-	20,026	-	-
(1,657,055)	(776,330)	(612,937)	(291,335)	(280,335)	(772,452)
(1,451,558)	(635,111)	(519,805)	230,832	809,558	225,949
17,482,422	18,473,445	19,389,038	25,045,370	27,413,533	28,221,266
2,316,235	(1,199,723)	3,332,484	6,446,584	8,055,176	4,119,727
(883,278)	1,292,784	3,472,579	4,322,527	3,837,946	(3,262,240)
$ 1,432,957	$ 93,061	$ 6,805,063	$ 10,769,111	$ 11,893,122	$ 857,487

CITY OF CORINTH, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

General Fund	**2016**	**2017**	**2018**	**2019**
Non-Spendable	$ 439,146	$ 195,750	$ 251,776	$ 155,611
Unassigned	3,295,962	5,243,056	5,184,229	4,929,660
Total General Fund	$ 3,735,108	$ 5,438,806	$ 5,436,005	$ 5,085,271

All Other Governmental Funds

Non-Spendable	$ -	$ -	$ -	$ -
Restricted	13,370,197.00	14,479,349.00	5,873,511.00	16,539,952.00
Committed	2,623,387	2,703,352	3,156,896	3,485,998
Unassigned	(442,236)	(298,848)	(389,299)	-
Total all other Governmental Funds	$ 15,551,348	$ 16,883,853	$ 8,641,108	$ 20,025,950

TABLE D-4

2020	2021	2022	2023	2024	2025
$ 143,205	$ 24,854	$ 17,727	$ 29,016	$ 57,233	$ 51,011
6,278,671	4,333,241	5,163,572	7,504,530	10,518,074	10,734,400
$ 6,421,876	$ 4,358,095	$ 5,181,299	$ 7,533,546	$ 10,575,307	$ 10,785,411
$ -	$ -	$ 14,200	$ 7,000	$ 11,009	$ 13,500
19,529,962.00	31,322,723.00	31,064,231.00	23,294,329	20,803,409	19,877,990
3,570,833	3,897,165	3,338,827	3,544,894	2,897,110	3,178,006
(234,548)	-	-	-	-	-
$ 22,866,247	$ 35,219,888	$ 34,417,258	$ 26,846,223	$ 23,711,528	$ 23,069,496

CITY OF CORINTH, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

Revenues	**2016**	**2017**	**2018**	**2019**
Taxes	$ 12,807,008	$ 14,034,768	$ 14,100,926	$ 15,198,411
Licenses, Fees and Permits	797,332	1,557,520	1,170,581	1,366,719
Fines & Penalties	712,852	619,747	758,997	1,240,152
Charges for Services	3,159,963	3,063,911	3,325,163	2,709,304
Investment Earnings	87,433	204,231	251,014	455,456
Donations	186,220	94,185	1,542,462	556,586
Grants	3,144	2,419	1,576	326,757
Other Revenues	289,805	322,436	351,397	83,466
Total Revenues	18,043,757	19,899,217	21,502,116	21,936,851
Expenditures				
Public Safety	9,702,983	9,234,496	10,620,034	10,441,255
Community Services	1,507,526	1,353,153	1,428,385	1,447,632
Public Works	1,721,981	1,086,857	886,891	1,151,389
Planning & Community Development	981,151	874,835	1,040,104	1,129,699
City Administration	2,173,809	1,777,956	2,114,840	2,526,410
Finance and Administrative Services	862,114	862,354	893,640	1,014,807
Capital Outlay	3,727,303	4,958,837	7,965,300	2,649,662
Debt Service				
Principal	1,806,587	1,542,615	1,375,785	1,769,461
Interest	784,585	1,109,103	1,064,269	981,456
Bond Issuance Costs	-	232,870	10,440	164,276
Total Expenditures	23,268,039	23,033,076	27,399,688	23,276,047
Other Financing Sources (Uses)				
Bonds Issued	17,116,713	13,017,245	-	10,754,800
Payments to Escrow Agent	(1,179,213)	(7,542,236)	-	-
Bond Premium/Discount	-	-	-	608,543
Lease Proceeds	-	-	-	800,928
Loan Proceeds	-	-	-	-
Subscription IT Proceeds	-	-	-	-
Sale of Capital Assets	65,887	16,073	182,498	128,663
Transfers In/Out	1,159,074	678,980	(2,373,559)	80,370
Total Other Financing Sources (Uses)	17,162,461	6,170,062	(2,191,061)	12,373,304
Net Change in Fund Balances	$ 11,938,179	$ 3,036,203	$ (8,088,633)	$ 11,034,108
Debt service as a percentage of noncapital expenditures	15.45%	16.30%	13.22%	13.59%

TABLE D-5

2020	2021	2022	2023	2024	2025
$ 16,817,677	$ 17,920,034	$ 19,206,995	$ 20,896,496	$ 22,595,107	$ 24,369,091
1,194,517	1,652,731	2,062,724	2,248,717	6,332,478	4,361,169
957,010	809,723	769,490	784,327	774,828	696,476
2,679,874	2,677,496	3,750,448	3,990,044	4,191,506	4,525,379
335,182	104,170	(53,482)	1,787,287	2,138,192	1,805,674
1,095,664	1,026,011	268,493	86,644	213,794	161,270
1,422,868	609,971	2,105,671	1,391,974	1,922,037	177,419
56,980	77,917	514,781	2,303,860	2,116,398	1,593,301
24,559,772	24,878,053	28,625,120	33,489,349	40,284,340	37,689,779
10,668,378	11,369,753	11,818,589	13,040,798	14,726,613	15,986,447
1,457,005	1,707,219	1,854,570	2,166,682	3,115,558	2,938,192
1,356,060	902,612	2,187,128	1,860,362	2,019,186	1,893,434
1,205,791	1,056,555	910,582	1,108,543	1,393,860	1,622,107
2,391,519	5,405,038	4,242,803	3,189,635	3,785,641	4,140,796
1,108,038	1,023,014	1,251,734	1,259,753	1,107,187	1,379,747
4,394,655	6,686,444	9,596,163	18,938,353	9,332,074	5,626,568
					-
2,044,146	1,840,158	3,367,285	3,851,609	4,237,203	4,459,939
1,474,914	1,583,270	1,558,389	1,080,291	2,012,635	1,900,484
1,314	360,010	131,743	107,645	3,100	3,100
26,101,820	31,934,073	36,918,986	46,603,671	41,733,057	39,950,814
-	14,000,000	4,285,000	5,654,700	-	-
-	-	-	-	-	-
-	1,048,911	344,235	375,551	-	-
267,714	533,120	536,024	835,654	268,349	853,663
-	-	2,176,669	56,512	-	-
-	-	-	537,086	55,510	144,394
54,204	206,211	359,575	144,696	103,762	58,598
5,397,032	1,557,638	612,937	291,335	928,162	772,452
5,718,950	17,345,880	8,314,440	7,895,534	1,355,783	1,829,107
$ 4,176,902	$ 10,289,860	$ 20,574	$ (5,218,788)	$ (92,934)	$ (431,928)
16.28%	13.60%	18.06%	17.84%	20.78%	18.28%

CITY OF CORINTH, TEXAS **TABLE D-6**

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

Fiscal Year	Property Tax	Sales, Hotel & Vehicle Tax	Franchise Tax	Total
2016	$ 9,636,032	$ 2,102,066	$ 1,068,910	$ 12,807,008
2017	10,629,501	2,331,478	1,073,789	14,034,768
2018	10,548,776	2,431,497	1,120,653	14,100,926
2019	11,568,552	2,546,306	1,083,553	15,198,411
2020	12,957,698	2,707,114	1,152,865	16,817,677
2021	14,047,742	2,822,065	1,050,227	17,920,034
2022	14,701,837	3,243,882	1,261,276	19,206,995
2023	15,986,834	3,692,508	1,217,154	20,896,496
2024	17,413,225	4,009,613	1,172,269	22,595,107
2025	18,700,742	4,366,205	1,302,144	24,369,091
Percent Change 2016-2025	94.07%	107.71%	21.82%	90.28%

CITY OF CORINTH, TEXAS **TABLE D-7**

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Taxable Assessed Value as a Percent of Actual Taxable Value
2016	$ 1,348,410,542	$ 385,457,523	$ 95,347,173	$ 1,638,520,892	$ 0.58489	$ 1,770,835,524	92.53%
2017	1,479,545,576	425,594,137	105,756,559	1,799,383,154	0.58193	1,969,484,281	91.36%
2018	1,610,439,701	484,323,152	142,108,059	1,952,654,794	0.53686	2,143,695,625	91.09%
2019	1,771,534,525	537,621,735	149,874,977	2,159,281,283	0.53000	2,348,254,444	91.95%
2020	1,899,769,993	605,143,541	158,782,796	2,346,130,738	0.54500	2,592,331,676	90.50%
2021	2,141,070,040	587,392,141	202,150,348	2,526,311,833	0.57817	2,894,333,831	87.28%
2022	2,403,201,893	801,538,908	276,156,508	2,928,584,293	0.56700	3,476,760,264	84.23%
2023	2,440,063,605	809,056,895	276,446,508	2,972,673,992	0.54000	3,428,431,830	86.71%
2024	2,712,936,694	890,492,383	296,664,644	3,306,807,813	0.52000	4,007,938,592	82.51%
2025	3,067,921,727	917,294,045	324,097,266	3,649,440,714	0.51400	4,201,752,198	86.86%

Source: Denton Central Appraisal District

CITY OF CORINTH, TEXAS **TABLE D-8**

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

	City Property Tax Rate			Overlapping Rates		
Fiscal Year	O & M Tax Rate	General Obligation Debt Service	Total Tax Rate	Denton ISD	Lake Dallas ISD	Denton County
2016	$ 0.44143	$ 0.14346	$ 0.58489	$ 1.54000	$ 1.67000	$ 0.26200
2017	0.44298	0.13895	0.58193	1.54000	1.67000	0.24841
2018	0.42791	0.10895	0.53686	1.54000	1.67000	0.23780
2019	0.42711	0.10289	0.53000	1.54000	1.67000	0.22560
2020	0.43211	0.11289	0.54500	1.47000	1.56830	0.22528
2021	0.43923	0.13894	0.57817	2.40760	1.55030	0.22499
2022	0.42700	0.14000	0.56700	1.36200	1.50030	0.233086
2023	0.40200	0.13800	0.54000	1.34460	1.44929	0.217543
2024	0.38400	0.13600	0.52000	1.15920	1.25750	0.189485
2025	0.37621	0.13779	0.51400	1.15690	1.25520	0.018949

Source: Denton County Appraisal District

CITY OF CORINTH, TEXAS **TABLE D-9**

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

	2025			2016		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percent of Total City Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percent of Total City Taxable Assessed Value**
Oxford 2181 Inc	$ 43,500,000	1	1.19%			
Millennium Place LP	35,503,869	2	0.97%			
Carleton MR Corinth Partners	32,137,736	3	0.88%			
Denton County Electric Coop	31,877,123	4	0.87%	$ 21,030,718	1	1.28%
Boulevard 2010 LLC	29,584,693	5	0.81%			
Pecos Housing Finance	25,341,594	6	0.69%			
IRBY Company	23,931,530	7	0.66%			
Atmos Energy	18,572,600	8	0.51%			
Oncor Electric Delivery Co	18,497,571	9	0.51%	12,883,342	3	0.79%
EAN Holdings LLC	13,479,584	10	0.37%			
S. Corinth Apts LLC, dba The Blvd				15,178,509	2	0.93%
MPT of Corinth, LP				12,815,000	4	0.78%
HD Supply Utilities LTD #3430				12,613,427	5	0.77%
Utter Properties, LLC				8,712,098	6	0.53%
Texas NHI Investors LLC				8,390,000	7	0.51%
Tower Ridge Corinth 1, Ltd.				8,076,706	8	0.49%
Utter, Bill				6,946,009	9	0.42%
2-10 Properties LLC				6,477,481	10	0.40%
Total	$ 272,426,300		7.46%	$ 113,123,290		6.90%

Source: Denton Central Appraisal District

CITY OF CORINTH, TEXAS **TABLE D-10**

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2016	$ 9,594,646	$ 9,568,054	99.72%	$ 22,344	$ 9,590,398	99.96%
2017	10,467,690	10,432,195	99.66%	31,432	10,463,627	99.96%
2018	10,503,022	10,472,993	99.71%	25,922	10,498,915	99.96%
2019	11,487,858	11,458,626	99.75%	25,052	11,483,678	99.96%
2020	12,930,801	12,883,707	99.64%	37,701	12,921,408	99.93%
2021	14,109,671	14,010,541	99.30%	85,969	14,096,510	99.91%
2022	14,638,847	14,568,605	99.52%	44,479	14,613,084	99.82%
2023	15,935,084	15,849,908	99.47%	19,680	15,869,588	99.59%
2024	17,433,467	17,335,363	99.44%	1,420	17,336,783	99.45%
2025	18,750,700	18,620,371	99.30%	-	18,620,371	99.30%

Note:
Current year original tax levy net of supplements and adjustments in current tax year.
Collections in subsequent years are net of supplements and adjustments in subsequent years.

Source: Denton County Tax Office

CITY OF CORINTH, TEXAS **TABLE D-11**

DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	Corinth Direct Sales Tax Rate	Corinth Street Maintenance Sales Tax	Economic Development Sec. 4(B) Sales Tax	Corinth Crime Control & Prevention Sales Tax	Fire Control, Prevention & Emergency Management Sales Tax
2016	1.00%	0.25%	0.50%	0.25%	-
2017	1.00%	0.25%	0.50%	0.25%	-
2018	1.00%	0.25%	0.50%	0.25%	-
2019	1.00%	0.25%	0.50%	0.25%	-
2020	1.00%	0.25%	0.50%	0.25%	-
2021	1.00%	0.25%	0.50%	0.25%	0.25%
2022	1.00%	-	0.50%	0.25%	0.25%
2023	1.00%	-	0.50%	0.25%	0.25%
2024	1.00%	-	0.50%	0.25%	0.25%
2025	1.00%	-	0.50%	0.25%	0.25%

Note:
The City elected for the Street Maintenance Sales Tax to lapse in December 2020.
The City enacted special legislation which provided the creation of a Fire Control, Prevention, and Emergency Management Sales Tax District under Local Government Code Chapter 344. The creation was approved by voters in November 2020. The effective date of tax began April 1, 2021.

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS

	2016	2017	2018	2019	2020
Construction	$ 4,700,702	$ 3,994,986	$ 2,328,556	$ 3,216,574	$ 4,266,051
Manufacturing	753,527	614,605	1,253,393	2,049,745	555,049
Utilities	104,636,898	115,420,823	125,970,925	129,198,459	120,700,668
Wholesale Trade	7,302,049	10,649,928	8,692,469	7,471,542	3,201,080
Retail Trade	30,504,049	33,210,828	34,016,051	35,351,416	33,016,709
Other Services	7,686,622	7,466,146	8,497,374	8,194,907	6,579,265
Other	25,575,315	27,498,369	34,467,334	35,624,160	34,155,321
Total	$ 181,159,162	$ 198,855,685	$ 215,226,102	$ 221,106,803	$ 202,474,143
Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%

Note:
Due to a reporting lag from the State Comptroller's Office, sales tax for 2025 reports includes information for the first three quarters.

Source: Texas State Comptroller

TABLE D-12

2021	2022	2023	2024	2025
$ 4,849,391	$ 7,005,697	$ 5,556,928	$ 8,715,043	$ 4,950,908
500,469	740,838	793,243	720,735	548,061
140,030,608	201,929,194	189,727,869	211,293,984	165,150,794
4,483,597	4,566,053	5,752,846	6,682,634	3,752,157
39,611,848	43,058,951	46,490,352	49,588,838	37,977,398
7,634,313	7,958,039	8,714,650	8,986,225	6,347,668
43,257,603	47,193,198	51,595,464	51,356,434	37,233,691
$ 240,367,829	$ 312,451,970	$ 308,631,352	$ 337,343,893	$ 255,960,677
1.00%	1.00%	1.00%	1.00%	1.00%

CITY OF CORINTH, TEXAS **TABLE D-13**

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

	General Bonded Debt					Other Governmental Activities Debt		
Fiscal Year	General Obligation Bonds	Certificates of Obligation/ Tax Notes	Total Tax Supported Debt	Percent of Actual Taxable Value of Property	Per Capita General Bonded Debt	Lease Obligations	Notes Payable	Subscription IT Obligations
2016	$ 3,458,925	$ 20,102,388	$ 23,561,313	1.44%	$ 1,118	$ 1,298,191	$ -	$ -
2017	7,809,874	18,335,001	26,144,875	1.45%	1,229	1,381,618	-	-
2018	6,663,408	15,470,001	22,133,409	1.13%	1,038	1,217,298	-	-
2019	5,458,611	26,134,070	31,592,681	1.46%	1,448	2,332,394	-	-
2020	4,424,982	31,995,399	36,420,381	1.55%	1,644	2,085,345	-	-
2021	3,829,672	46,900,428	50,730,100	2.01%	2,158	2,145,728	-	-
2022	3,269,518	45,761,394	49,030,912	1.67%	2,150	2,332,524	2,116,488	-
2023	2,681,239	52,963,904	55,645,143	1.87%	2,446	2,288,769	2,020,168	619,616
2024	2,492,064	50,468,876	52,960,940	1.60%	2,328	1,307,916	2,298,964	383,611
2025	1,701,067	44,722,591	46,423,658	1.27%	2,027	1,583,742	1,819,297	281,943

	Business-Type Activities						
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total	Lease Obligations	Total Primary Government	Per Capita Primary Government	Percent of Personal Income
2016	$ 816,075	$ 8,752,609	$ 9,568,684	$ -	$ 34,428,188	1,633	4.15%
2017	7,885,126	2,628,570	10,513,696	-	38,040,189	1,789	4.46%
2018	6,801,595	2,800,000	9,601,595	-	32,952,302	1,546	3.80%
2019	5,791,392	11,240,931	17,032,323	170,237	51,127,635	2,343	5.63%
2020	5,015,020	8,732,684	13,747,704	151,982	52,405,412	2,365	5.95%
2021	4,340,332	7,693,835	12,034,167	217,538	65,127,533	2,770	6.62%
2022	3,705,486	6,348,606	10,054,092	148,596	63,682,612	2,793	6.67%
2023	3,038,765	12,497,532	15,536,297	198,529	76,308,522	3,355	6.49%
2024	1,902,940	11,906,153	13,809,093	154,548	70,915,072	3,118	6.03%
2025	1,298,937	10,517,409	11,816,346	335,942	62,260,928	2,718	5.02%

Note:

General Obligation and Certificates of Obligation balances are presented net of original issuance discounts and premiums.

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS **TABLE D-14**

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Certificate Obligation Bonds	Premiums, Discounts	Less: Amounts Available in Debt Service Fund		Total	Percent of Actual Taxable Value of Property	Per Capita
2016	$ 4,275,000	$ 28,854,997	$ 2,177,412	$ 193,671	*	$ 35,113,738	1.98%	$ 1,666
2017	15,695,000	20,963,571	3,892,908	240,987	*	40,310,492	2.05%	1,895
2018	13,465,003	18,270,001	3,575,294	219,214	*	35,091,084	1.64%	1,646
2019	11,250,003	37,375,001	4,290,028	21,458	*	52,893,574	2.25%	2,424
2020	9,440,002	40,728,083	3,918,081	180,287	*	53,905,879	2.08%	2,433
2021	8,170,004	54,594,263	4,549,263	281,175	*	67,032,355	2.32%	2,851
2022	6,975,004	52,110,000	4,458,556	404,737	*	63,138,823	1.82%	2,769
2023	5,720,004	60,745,000	4,716,436	691,217	*	70,490,223	2.06%	3,099
2024	4,395,004	58,130,000	4,245,029	966,417		65,803,616	1.64%	2,893
2025	3,000,004	51,466,377	3,773,623	721,329		57,518,675	1.37%	2,511

Note:
General Obligation and Certificates of Obligation balances are presented net of original issuance discounts and premiums.

*Restated for correction of an error

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	2016	2017	2018	2019
Debt Limit	$ 163,852,059	$ 179,938,315	$ 195,265,479	$ 215,928,128
Total Net Debt Applicable to Limit	32,782,746	33,639,319	31,435,810	48,282,291
Legal Debt Margin	$ 131,069,313	$ 146,298,996	$ 163,829,669	$ 167,645,837
Total Net Debt Applicable to the Limit				
As a Percentage of Debt Limit	20.01%	18.69%	16.10%	22.36%

Source: City of Corinth Finance department

TABLE D-15

2020	2021	2022	2023	2024	2025
$ 234,613,074	$ 252,631,183	$ 292,858,429	$ 297,267,399	$ 330,680,781	$ 364,944,071
45,881,152	62,177,544	62,270,779	69,170,778	65,641,330	57,367,286
$ 188,731,922	$ 190,453,639	$ 230,587,650	$ 228,096,621	$ 265,039,451	$ 307,576,785
19.56%	24.61%	21.26%	23.27%	19.85%	15.72%

Assessed Value	$ 3,649,440,714
Debt Limit (10% of Assessed Value)	364,944,071
Debt Applicable to Limit:	
Total Debt Outstanding	58,240,004
Less: Amount Set Aside for Repayment of Debt	872,718
Total Net Debt applicable to Limit	57,367,286
Legal Debt Margin	$ 307,576,785

CITY OF CORINTH, TEXAS **TABLE D-16**

DIRECT AND OVERLAPPING

GOVERNMENTAL ACTIVITIES DEBT

Governmental Unit	Debt Outstanding	Estimated Percent Applicable [1]	Estimated Share of Direct & Overlapping Debt
Debt Repaid With Property Taxes			
Denton Co.	$ 721,100,000	1.83%	$ 13,196,130
Denton ISD	2,408,300,000	4.73%	113,912,590
Lake Dallas ISD	159,000,040	44.65%	70,993,518
Subtotal, Overlapping Debt			198,102,238
City Direct Debt [2]			53,122,769
Total Direct and Overlapping Debt			$ 251,225,007
Total Direct and Overlapping Debt % of AV			6.87%
Total Direct and Overlapping Debt per Capita			$ 10,484

Note:
Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the City of Corinth. This process recognizes that, when considering the City of Corinth's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

[1] The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable value that is within the City of Corinth's boundaries and dividing it by the overlapping government's total taxable assessed value.

[2] Does not include self-supporting debt.

Source: Compiled by Hilltop Securities Inc. using data from the Municipal Advisory Council of Texas

CITY OF CORINTH, TEXAS **TABLE D-17**

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Population [1]	21,078	21,269	21,320	21,819	22,160	23,508	22,800	22,687	22,746	22,905
Median Household Income [2]	$112,169	$114,412	$117,180	$120,142	$113,483	$ 98,475	$102,185	$106,283	$116,622	$124,353
Per Capita Personal Income	$ 39,357	$ 40,144	$ 40,683	$ 41,616	$ 39,723	$ 41,865	$ 46,714	$ 48,602	$ 51,715	$ 54,163
Median Age	36	36	36	37	37.5	37.7	37.6	37.7	39.3	39.3
Education Level [3]										
School Enrollment	3,408	3,514	3,547	3,506	3,541	4,091	3,291	3,283	3,267	3,317
High school graduate or higher	97%	96%	96%	93%	92.9%	93.1%	93.4%	93.6%	95.5%	95.5%
Bachelor's degree or higher	40%	40%	40%	39%	41.7%	41.8%	42.7%	46.7%	45.1%	45.9%
Unemployment [4]	3.80%	3.10%	2.90%	3.00%	6.60%	5.60%	2.80%	2.30%	2.20%	2.30%

[1] The figures for 2019 are an estimate based on current trends.

[2] These figures are based on Catalyst Commercial and current trends.

[3] The school enrollment (Denton / Lake Dallas ISD) figures are based on numbers provided by the Texas Education Agency (TEA) for 2013-2017. The figures for 2018-2025 are estimated based on current enrollment.

[4] The unemployment figures shown above are for Denton County, as calculated by the Labor Market and Career Information (LMCI) Department of the Texas Workforce Commission.

Source: City of Corinth Economic Development

CITY OF CORINTH, TEXAS **TABLE D-18**

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2025			2016		
	Employees	**Rank**	**Percent of Total City Employment**	**Employees**	**Rank**	**Percent of Total City Employment**
CoServ	593	1	4.57%	440	1	9.32%
City of Corinth	193	2	1.49%	160	5	3.39%
Bill Utter Ford	180	3	1.39%	150	6	3.19%
North Central Texas College [1]	177	4	1.36%	340	2	7.20%
Lake Dallas ISD [1]	166	5	1.28%	197	3	4.17%
Denton ISD [1]	162	6	1.25%	166	4	3.52%
Denton Area Teachers Credit Union	147	7	1.13%	100	8	2.12%
Huffines Kia and Subaru	118	8	0.91%			
Albertsons	115	9	0.89%	90	9	1.91%
Metroplex Cabinets	93	10	0.72%			
Mac Haik Nissan				65	10	1.38%
Orr Nissan						
McClain's RV Ft. Worth Inc.						
Oakmont Country Club				101	7	2.14%
Total	1,944		14.99%	1,809		38.34%

Note:

[1] These figures reflect the total number of employees at the school district facilities in Corinth.

Source: City of Corinth Economic Development

CITY OF CORINTH, TEXAS **TABLE D-19**

FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
City Administration	3.00	3.00	3.00	3.00	3.00	4.00	3.00	3.00	3.50	2.00
Police	34.00	35.00	35.00	37.00	39.00	39.00	39.00	39.00	44.00	44.00
Animal Control	1.50	2.00	2.00	-	-	-	-	-	-	-
Lake Cities Fire Department	41.00	44.00	53.00	53.00	53.00	53.00	53.00	55.00	61.50	56.00
Streets	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00
Fleet Maintenance	2.00	-	-	-	-	-	-	-	-	-
Community Development	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00
Planning	5.00	5.00	6.00	6.00	6.00	5.00	4.00	5.00	5.00	5.50
Municipal Court	4.00	4.00	4.00	4.00	5.00	4.00	4.00	4.00	4.00	4.00
City Marshal	-	-	-	-	-	1.00	1.50	1.00	1.00	1.00
Parks & Recreation	14.00	9.00	11.00	11.00	11.00	9.00	9.00	7.00	8.00	10.50
Finance	7.50	7.50	6.50	6.50	7.00	6.50	7.00	7.50	8.50	9.00
Human Resources	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Technology Services	5.00	5.00	5.00	5.00	5.00	5.00	9.00	9.00	5.00	5.00
Business Intelligence/GIS	-	-	-	-	-	-	-	-	3.00	3.00
Facilities Management	-	-	-	-	-	-	-	1.00	1.00	2.00
Communications	-	-	-	-	-	2.00	2.00	2.50	3.50	4.50
Community Events	-	-	-	-	-	-	-	-	2.00	2.00
Water/Wastewater Fund										
Utility Administration	-	-	-	-	-	-	-	2.00	2.00	2.00
Water/Wastewater	22.00	19.00	19.00	19.00	19.00	18.00	21.00	19.00	21.00	21.00
Engineering	-	4.00	4.00	4.00	4.00	4.50	5.50	5.50	5.00	5.00
Utility Billing	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	5.00
Storm Drainage Fund	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	5.00	5.00
Corinth Economic Development Corp.	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Crime Control District Fund	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	-
Child Safety Program Fund	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75
Hotel Motel Fund	-	-	-	-	0.50	0.50	0.50	-	-	-
Short Term Vehicle Rental Tax Fund	-	-	-	-	-	-	-	2.00	-	-
Court Security Fund	0.50	-	-	-	-	-	-	-	-	-
Total	163.00	162.00	174.00	174.00	178.00	178.00	185.25	190.25	206.75	207.25

Source: City of Corinth Adopted Budget

CITY OF CORINTH, TEXAS **TABLE D-20**

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
New Single Family Home Building Permits	53	63	75	39	49	68	64	246	255	163
New Commercial Building Permits	7	13	4	9	2	4	2	-	5	4
Police										
Physical Arrests	426	513	458	290	427	366	467	281	242	325
Parking Violations	-	-	-	-	-	-	3	-	52	12
Traffic Violations	6,013	6,573	7,158	5,848	4,526	4,224	7,442	5,942	6,001	8,572
CSI Camps (hours)	-	-	-	-	-	-	-	80	80	80
CSI Participants	-	-	-	-	-	-	-	44	38	39
Fire										
Emergency Responses	3,475	3,237	3,246	3,546	3,467	4,060	4,201	4,260	4,176	4,118
Structure Fires Extinguished	37	26	34	43	46	29	37	41	31	20
Inspections	403	403	490	641	655	355	539	478	522	653
Other Public Works										
Street Resurfacing (miles)	<1	<1	<1	<1	<1	<1	<1	-	-	-
Square Yards of Street Repair	-	-	-	-	-	98.0	224.0	253.0	297.0	249.0
Potholes Repaired	126	96	226	200	96	139	48	38	24	36
Parks and Recreation										
Classes offered (hours) [1]	72	68	60	72	32	72	80	96	-	-
Participants [1]	320	224	208	315	120	80	280	224	-	-
Special events (hours)	3,530	3,378	3,773	3,197	107	24	40	-	-	-
Class Participants	3,375	3,209	3,315	3,040	122	60	44	-	-	-
Association Participants	26,766	21,012	-	-	-	-	-	-	-	-
Athletic League Participants	-	-	-	-	-	-	-	-	-	-
Recreation center Participants	-	-	-	-	-	-	-	-	-	-
Water										
New Connections	44	105	125	65	67	70	83	255	261	227
Water Main Breaks	6	5	7	5	6	10	6	35	17	9
Average Daily Consumption (millions of gallons billed)	2.56	2.51	2.69	2.23	2.61	2.71	2.81	3.41	2.73	3.14
Peak Demand (millions of gallons pumped)	6.84	5.79	7.81	5.99	6.76	8.79	7.07	7.61	8.39	7.22
Wastewater										
New Connections	35	92	116	57	59	65	83	250	245	215
Average Daily Sewage Treatment (MGD)										
Upper Trinity Regional Water District	1.40	1.24	1.27	1.35	1.45	1.36	1.36	1.41	1.64	2.90
City of Denton (estimate)	0.25	0.78	0.26	0.25	0.33	0.29	0.30	0.30	0.65	0.74

[1] In 2024, classes were no longer offered through parks.

Note:
The City of Denton bills the City of Corinth based on one sewage flow meter and two areas based on connection counts. Flows are based on estimates.

Source: Various City of Corinth departments

CITY OF CORINTH, TEXAS **TABLE D-21**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	18	18	18	18	16	16	16	18	20	22
Fire Stations	2	2	3	3	3	3	3	3	3	3
Other Public Works										
Streets (miles) [1]	88.99	92.37	92.43	92.66	93.20	93.70	92.90	93.48	93.60	96.36
Highways (miles) [2]	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29
Traffic Signals	8	8	8	8	8	8	8	8	8	8
Parks and Recreation										
Acreage [3]	184	184	184	184	184	184	184	184	159	159
Playgrounds	11	11	11	11	11	14	12	12	12	12
Baseball/Softball Fields	9	9	9	9	9	9	9	9	9	9
Soccer/Football Fields [4]	8	8	8	8	9	8	7	9	9	6
Recreation Centers [5]	1	1	-	-	-	-	-	-	-	-
Trails (miles)	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74
Water										
Connections	7,016	7,113	7,203	7,279	7,337	7,279	7,347	7,556	7,836	8,160
Water Mains (miles)	113.48	115.17	117.70	120.20	120.64	120.97	124.54	125.62	127.10	130.10
Fire Hydrants	855	883	896	927	939	961	1,003	1,020	1,037	1,093
Storage Capacity (millions of gallons)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.80
Subscribed Capacity, UTRWD (MGD)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.80
Wastewater										
Connections	6,736	6,818	6,903	6,979	7,098	7,163	7,297	7,357	7,488	7,859
Sanitary Sewers (miles)	98.99	102.19	102.34	103.17	103.77	105.10	107.46	107.21	107.90	108.38
Storm Sewers (miles)	40.59	41.49	41.66	42.70	43.30	44.65	46.67	47.10	47.79	48.08
Treatment Capacity, UTRWD (MGD) [6]	4.82	4.82	4.82	4.82	4.82	4.83	4.83	4.83	5.80	5.80

Note:
[1] The reduction in streets is due to the elimination of unpaved streets from the database.
[2] The increase in highways is due to the addition of the northbound and southbound roadways which is maintained by TxDOT.
[3] The decrease in acreage in 2024 is due to a change of accounting. Acreage is based on GIS data which is more accurate.
[4] There is a decrease in number we are counting large fields. You can have a large field and divide it up into smaller fields. Field acreage did not change.
[5] The decrease is due to no longer using the Crownover Middle School Building for recreation activities.
[6] The City of Denton bills the City of Corinth based on one sewage flow meter and two areas based on connection counts; UTRWD uses a take-or-pay system of billing in which the member city (Corinth) purchases peak capacity. UTRWD data is corrected per original contracts.

Source: Various City of Corinth departments

CORINTH
TEXAS